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Daily Report

China

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3 October 1994

NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

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General

Zhu Rongji Leaves for IMF-World Bank Meeting in Spain

OW0210074194 Beijing XINHUA in English 0720
GMT 2 Oct 94

[FBIS Transcribed Text] Beijing, October 2 (XINHUA)—Vice-Premier Zhu Rongji left here today for Spain to attend the joint annual meeting of the International Monetary Fund (IMF) and the World Bank to be held in Madrid.

Zhu is concurrently governor of the People's Bank of China and a governor of IMF.

After attending the meeting, Zhu is to pay official visits to Spain, Egypt and Greece at the invitation of Spanish Deputy Prime Minister Narcis Serra y Serra, Egyptian Deputy Prime Minister Kamal Ahmad al-Janzuri and the Hellenic Government respectively.

Accompanying Zhu on the visits were Deputy Secretary-General of the State Council He Chunlin, Vice-Minister of the State Planning Commission Gan Ziyu, Vice-Foreign Minister Jiang Enzhu, Vice-Minister of the State Economic and Trade Commission Shi Wanpeng, Vice-Finance Minister Liu Jibin, Vice-Minister of Foreign Trade and Economic Cooperation Gu Yongjiang, and Deputy Governor of the People's Bank of China Chen Yuan.

Zhu and his party were seen off at the airport by Secretary-General of the State Council Luo Gan, Minister in Charge of the State Economic and Trade Commission Wang Zhongyu and Minister of Foreign Trade and Economic Cooperation Wu Yi.

Also seeing Zhu off at the airport were diplomatic envoys of Spain, Egypt and Greece in Beijing and representatives of the IMF and the World Bank in the Chinese capital.

Joint Efforts for Global Growth Urged at IMF Meeting

OW0210155094 Beijing XINHUA in English 1510
GMT 2 Oct 94

[FBIS Transcribed Text] Madrid, October 2 (XINHUA)—China today called for joint efforts of the developed and developing countries to achieve solid recovery and sustained growth in world economy.

"World economic development has shown that both developed and developing countries should seek to promote sustainable economic growth," Chen Yuan, deputy governor of the People's Bank of China, said at a meeting of the International Monetary Fund (IMF)'s interim committee.

The interim committee, the highest advisory body of the IMF, met today to prepare for the upcoming 49th annual

meetings of the Bretton Woods institutions—the IMF and the World Bank—to be held here on October 4-6.

Talking about global economic development, Chen said that the public debt and fiscal deficit in the industrialized countries may weaken these countries' role in maintaining global economic growth.

In addition, the prolonged high level of structural unemployment in the industrialized countries, especially in Europe, adversely affects economic and social stability, he added.

Meanwhile, an overall increase in short-term interest rates could have a negative impact on economic recovery, Chen said.

He went on to say that the exchange-rate fluctuation of the major currencies is another element casting a shadow on global recovery and adding uncertainty to world economic growth.

"The above situation indicates that the industrialized countries are in different stages with regard to their economic recovery and expansion," the deputy governor stated.

"Strengthened cooperation between countries regarding economic policy now becomes not only an important prerequisite for sustained world economic growth, but also a common task for all policy makers," he noted.

Referring to the glaring unevenness of development among the developing countries, Chen said that the international community should act to help the low-income countries, particularly those in sub-Saharan Africa, to reduce poverty, and provide a favorable environment for economic development.

He said the developed countries should live up to their responsibilities by reducing the debt burden of these countries and increasing the amount of official development financial assistance.

"Solid recovery and sustained growth depend on the joint efforts of both the developed and developing countries," Chen concluded.

In this regard, he expressed the hope that the IMF will play an important role in multilateral oversight and policy coordination among countries, especially among the major industrialized countries.

XINHUA Reportage on U.S., Japan Negotiations

'Roundup' Views Talks

OW0110071294 Beijing XINHUA in English 0624
GMT 1 Oct 94

["Roundup" by Wang Nan]

[FBIS Transcribed Text] Washington, September 30 (XINHUA)—The United States and Japan are in their

last-minute negotiations for a trade deal before the U.S.-set deadline comes midnight today.

If the deadline passes without an agreement, Washington will impose trade sanctions on Japan in flat glass trade, and perhaps also in insurance and government procurement, observers said.

Japanese Foreign Minister Yohei Kono and Trade Minister Ryutaro Hashimoto are now in Washington to negotiate final deals with U.S. Trade Representative Mickey Kantor to avert sanctions.

Although the Clinton administration has threatened Japan with sanctions, observers here expected only limited sanctions even if the talks collapse.

Included in the framework talks are auto and auto parts, government procurement of telecommunications and medical equipment, opening of a Japanese insurance market, and the newly added flat glass.

U.S. trade deficits with Japan reached nearly 60 billion U.S. dollars last year, two-thirds of which are in the auto and auto parts sector. Hopes of reaching agreement in the area are dim as Tokyo said it cannot manage the trade because it is the business of private sectors.

According to the observers, insurance is the only area that both Washington and Tokyo are seeing eye to eye. U.S. officials said that in opening a Japanese insurance market, the Japanese Government has a role to play.

The scheduled sanctions are in line with the newly revived super 301 trade law, which calls for unilateral trade sanctions against America's trading partners if they are engaged in unfair trade practices.

But using the Super 301 trade law will put at high risks the Clinton administration, now worried about the declining dollar against the Japanese yen. The looming trade war with Japan will surely further depress the dollar.

Possible sanctions, the observers said, might be in the flat glass trade. The Japanese glass market has been monopolized by three domestic cartels, and U.S. imports have been less than 1 percent.

The glass trade is not a key sector for Japanese economic competitiveness.

According to the observers, the administration is also considering referring to the U.S. Antitrust Law in dealing with the opening of a Japanese Government procurement market of medical and telecommunications equipment, therefore avoiding using the Super 301 law.

In recent remarks, Clinton administration officials have stressed that there will be no broad-based sanctions against Japan.

U.S. Trade Representative Mickey Kantor has scheduled a noon-time press conference on Saturday, a sign that the negotiations with the Japanese might last until late tonight.

Sides Come to Agreement

*OW0110171894 Beijing XINHUA in English 1553
GMT 1 Oct 94*

[FBIS Transcribed Text] Washington, October 1 (XINHUA)—The United States and Japan reached agreement here today on opening Japanese Government procurement market of medical and telecommunications equipment, officials said.

The agreement, Japanese Foreign Minister Yohai Kono said, was reached after nearly 20 hours of negotiations between him and the U.S. Trade Representative Mickey Kantor.

This is the first major market-opening agreement between the U.S. and Japan, which for the past 15 months have been engaged in the trade framework talks.

The framework talks also covered auto and auto parts, insurance and flat glass trade. There have not been reports on the progress of the talks in these areas.

Further on Agreement

*OW0110173994 Beijing XINHUA in English 1717
GMT 1 Oct 94*

[FBIS Transcribed Text] Washington, October 1 (XINHUA)—The United States and Japan left disputes open over auto trade here today and reached deals on three other key areas of cross-Pacific trade, Japanese officials said.

After all-night negotiations, the two countries reached agreements on opening Japanese markets of insurance and government procurement of telecommunications and medical equipment, the officials said.

The agreement, Japanese Foreign Minister Yohai Kono said, was reached after nearly 20 hours of negotiations between him, the Japanese Trade Minister Ryutaro Hashimoto and U.S. Trade Representative Mickey Kantor.

Kantor is scheduled to make the announcement later today, according to U.S. officials.

Kono said Japan also agreed in principle to lower barriers of its highly protected flat glass market which has been dominated by domestic cartels. Details of glass market opening will be worked out in 30 days.

Today's partial agreement, which does not cover the crucial area of auto and auto parts, is the first major market-opening agreement between the U.S. and Japan, which for the past 15 months have been engaged in the trade framework talks.

The framework talks covered four priority areas: Auto and auto parts, government procurement, insurance and flat glass. Their talks collapsed in February and resumed in May, and were once hailed by President Clinton as the first results-oriented trade talks with Japan.

Kantor Comments on Agreement

*OW0210000794 Beijing XINHUA in English 2100
GMT 1 Oct 94*

[FBIS Transcribed Text] Washington, October 1 (XINHUA)—The Clinton administration predicted here today its partial trade deals with Japan, reached early this morning, will produce real tangible change in opening Japanese market.

"Today's agreements will produce real tangible change and bring concrete results in our trade relations with Japan," U.S. Trade Representative Mickey Kantor said after ending his 20-hour talks with his Japanese partners.

The five agreements covered opening the procurement process of telecommunications equipment by Japanese Government and Nippon Telephone & Telegraph's, opening Japanese medical technology market and flat glass trade, and deregulating Japanese insurance market.

Kantor, meanwhile, announced the U.S. will begin a process of investigation of Japanese auto and auto parts trade according to the Section 301 trade law, meaning that talks over auto and auto parts have failed.

The investigation, according to Kantor, will last up to a year before sanctions could be imposed.

"Today's steps, both the agreements we've reached and the action to enforce our trade laws, contribute to the goal of opening the Japanese market," Kantor said. "This is a good deal for the United States, a good deal for Japan."

Kantor stressed there were no numerical targets in the five agreements, although both sides agreed to use both quantitative and qualitative criteria to measure the success of Japanese efforts to open its markets.

Asked if sanctions will be imposed if these goals are not met, Kantor said, "we want to talk about the positive. We believe they will be achieved."

"This is not managed trade, we both agree," Kantor said.

The framework talks, once hailed by President Clinton as the first results-oriented trade talks with Japan, began 15 months ago. The talks collapsed in February and resumed in May.

Midnight Friday [30 September] is the deadline for U.S. to impose sanctions against Japan on insurance and government procurement practices if no agreements are made.

According to U.S. statistics, Japanese trade surplus with the U.S. was nearly 60 billion U.S. dollars last year, two thirds of which are in auto and auto parts.

'News Analysis' on Trade Deals

*OW0210002294 Beijing XINHUA in English 2157
GMT 1 Oct 94*

[("News Analysis" by Wang Nan: "Real Meaning of U.S.-Japan Trade Deal")]

[FBIS Transcribed Text] Washington, October 1 (XINHUA)—As widely expected, the United States and Japan failed to reach a broad trade agreement here today after 20-hour last-minute negotiations. But White House has a lot to cheer about.

Although debates on "objective criteria" are still there, Washington and Tokyo, in reaching five trade agreements except on auto and auto parts, avoided a trade war which is a sign of turmoil in financial markets.

Starting investigations from today over Japan's auto trading practices in line with Section 301 trade law, the White House gave something back to Congress which wished President Clinton, in dealing with Japan, could be tougher.

Today's deal, analysts said, is also crucial for the U.S. trade policy now that Clinton enjoys no "fast track" authority at Asia and Pacific summit in mid-November and Congress has put [off] vote on GATT until December 1.

As to the U.S.-Japan trade picture, no dramatic changes will take place in a short period of time with deadlock in auto trade, but billions of dollars more U.S. exports and thousands of new jobs are predicted.

U.S. telecommunications industry, with some 200,000 employees and 35 billion U.S. dollars sales at home annually, will be able to enter Japan with Tokyo's promise to make government procurement "fairer and more open".

As Japan builds information infrastructure and buys more than 300 billion dollars new equipment, U.S. firms "for the first time will be in a position to compete on a level playing field," U.S. Trade Representative Mickey Kantor said.

In the transfer of medical technology, U.S. companies said they are undoubtedly the first class in the world. They have 52 percent of global sales, but their share of the Japanese market was 23 percent in 1992.

If the U.S. could reach 40 percent of the Japanese Government market of medical equipment, it would mean an increase of about 440 million dollars in sales over today, predicted the White House officials.

Japan has the second largest insurance market with some 320 billion dollars in annual premium income, but

foreign penetration is less than three percent. U.S. called the market "secretive" with "confusing regulatory system".

In the insurance agreement, according to U.S. officials, Japan agreed to introduce specific liberalization measures and strengthen antitrust policy. An increase of nearly one billion dollars in foreign premiums earnings over the next couple of years is predicted.

Japan's annual sales of flat glass amounted to 40 billion dollars, with foreign penetration at less than one percent. With today's agreements, three-fourths of the 100 largest Japanese glass wholesalers and glaziers will obtain some glasses from foreign sources.

According to observers, Japanese glass market is monopolized by three domestic cartels, with government having little control. This is perhaps the same case with auto and auto parts distribution in Japan.

"We should not put ourselves in a retaliatory position against Japan for factors that are largely outside the control of Japanese Government," said University of Chicago Professor Douglas Irwin, author of the new book "Managed Trade".

In auto trade, which accounts for two thirds of the 60 billion dollars U.S. trade deficit last year, sanctions are expected to begin a year later once the investigation under Section 301 trade law ends.

Despite what is called the "limited and targeted action", it is impossible for the foreign share of Japanese auto replacement parts, now at 2.6 percent as compared with 47 percent in the U.S., to climb quickly.

The Clinton administration today claimed credit, meanwhile, for the "numerous agreements" concluded with Japan over the past 18 months, which it said are more than anytime in the history of U.S.-Japan relations.

Such agreements covered rice, chemical tariffs, copper tariffs, construction, cellular telephone, intellectual property, and apples. It took 23 years for the apples in the Washington State to enter Japan.

"These sectors are not the only areas in which we have problems with Japan," said Senator Max Baucus, a democrat from Montana. "From computers to wood products to feed grains, we have a lot more work to do."

Qian Qichen UN Speech on World Situation

*OW0210102394 Beijing XINHUA in English 1004
GMT 2 Oct 94*

[FBIS Transcribed Text] United Nations, September 30 (XINHUA)—The end of the Cold War has not ushered in a new world of true peace and common prosperity, and peace and development are still important issues of common concern for the international community, Chinese Foreign Minister Qian Qichen said here today.

Qian, who is also Chinese vice-premier, was giving an interview to Chinese reporters on the world situation, the on-going 49th session of the UN General Assembly, and the questions of Hong Kong and Taiwan.

He said the world is undergoing profound and complicated changes and moving towards multipolarity, with various conflicts emerging one after another and different forces breaking up and reorganizing themselves.

Meanwhile, he said, hegemonism and power politics continue to hold out, and economic factors are playing a bigger role in international relations.

In such a situation, he said, countries in the world have great expectations of the UN and hope that the organization can play a more active and effective role in safeguarding world peace and promoting the development of all countries under the guidance of its charter.

"We hope that the current general assembly session will achieve positive results through joint efforts of member states," Qian said.

He said that as one of the founding members of the UN and a permanent member of the Security Council, China has always acted in accordance with the UN Charter.

Qian said China adheres to principles, upholds justice, speaks on behalf of the developing countries, especially small and medium-sized ones, and works actively in promoting global development and the settlement of international disputes through peaceful means.

China attaches importance to and takes an active part in UN work in various fields, he added.

On the UN secretary-general's report on the "agenda for development," he said the report following the "agenda for peace" is timely and meets the needs of the developing countries.

China shares the idea that economic growth is the driving force in the whole development process, he said, adding that developing nations in particular can eliminate poverty and raise living standards only through economic growth.

The foreign minister said China also supports the proposal by the secretary-general that international cooperation should be strengthened. At present, he noted, world economy is not well balanced, the gap between north and south is widening, and the economic performance in the developing nations depends largely on the external factors.

China hopes that implementation of the agenda will promote global cooperation and sustainable economic growth, he said.

On China's foreign relations with other countries, Qian noted that China has made new progress in its relations with European countries, and that the settlement of the U.S. extending the most-favored-nation status to China

has removed hurdles for further improving and expanding Sino-U.S. relations.

China has been constantly strengthening friendly ties with neighboring countries and enhancing solidarity and cooperation with developing countries, he said. China now enjoys a favorable international environment, which is conducive to its reform and opening policies, he added.

Qian said that during his stay in New York, he has earnestly exchanged views with British Foreign Secretary Douglas Hurd on the Hong Kong issue. He pointed out that the possibility of further cooperation between China and Britain on the Hong Kong issue depends on whether Britain will take concrete actions on the right track.

He said China hopes that the Sino-British Joint Liaison Group will speed up talks on matters concerning power transfer. He noted that China has been optimistic on Hong Kong's smooth transition because the six million compatriots there support the principles of "one country, two systems" and "Hong Kong run by its own people" put forward by Deng Xiaoping.

On Taiwan's attempt to "return" to the United Nations, Qian said the general committee of the 49th session of the United Nations has, once again, flatly refused without a vote to include the so-called "Taiwan representation" in the agenda of the current session. This, he said, has shown that any move that is in violation of the UN Charter, UN resolutions, or in interference in a country's internal affairs is bound to meet the opposition of the international community.

According to UN Resolution 2758, China's representation in the United Nations has long ago been settled politically, legally and procedurally, he said, adding that as a province of China, Taiwan is simply not qualified to join the world body consisting of sovereign countries.

After citing the old Chinese saying that "a just cause enjoys abundant support while an unjust cause finds little support," Qian said that the UN decision has proved again that no matter under what pretences or using what excuses, the Taiwan authorities' plot to split China by creating "two Chinas" or "one China, one Taiwan" will be opposed by the Chinese people, and also intolerable to justice-upholding countries.

And it is, therefore, doomed to failure, the Chinese foreign minister said.

Group of 24 Urges Rich Countries To Increase Aid to Poor

OW0310040494 Beijing XINHUA in English 1457
GMT 1 Oct 94

[FBIS Transcribed Text] Madrid, October 1 (XINHUA)—China today urged the developed countries to increase their aid to the developing nations.

Speaking at a meeting of the Group of 24 here today, Chen Yuan, deputy governor of the People's Bank of China, said the developed countries must live up to their international obligation to help the developing ones, particularly low-income nations.

"Although the developing countries as a group continued to register a high economic growth rate last year, the critical economic situation in many of them, especially the sub-Saharan African countries, warrants greater attention from the international community," Chen said.

"The real income level in many of these countries has declined rather than increased," he added, noting that "this is a matter of grave concern."

He said that "We note that the Paris Club has contributed to this end, and we appreciate its endeavor."

However, he continued, the members of the club should redouble their efforts to work out pragmatic measures to reduce the external debt of the low-income developing nations.

"The developed countries should take action to meet the UN target for official development assistance as early as possible," Chen stressed.

Talking about the role of the IMF and the World Bank over the past 50 years, Chen pointed out that "the Bretton Woods institutions have made a positive contribution to world economic development and global exchange and monetary system stability."

He expressed the hope that the IMF will play a greater role in the coordination and oversight of macroeconomic policies in the major industrial countries.

Chen reaffirmed China's support for increasing the developing countries' representation in the Bretton Woods institutions to encourage them to be more effectively involved in the decision-making processes of the two institutions.

The Group of 24, formed in 1972, consists of eight Asian, eight African, and eight Latin American nations and represents the interests of the developing countries in negotiations on international monetary matters.

The group met here today to coordinate positions prior to the 49th IMF-World Bank annual meetings, scheduled to be held here on October 4-6.

'News Analysis' Sees Stronger Future Role for IMF

OW0310040494 Beijing XINHUA in English 0324
GMT 3 Oct 94

["News Analysis" by Yan Feng: "IMF Ready for Stronger Surveillance Role"]

[FBIS Transcribed Text] Madrid, October 2 (XINHUA)—What is the future role of the Bretton Woods

institutions? This question was raised at a special conference held here on September 29 and 30 to mark the 50th anniversary of the creation of the institutions.

At least one point seems clear: the surveillance role of the International Monetary Fund (IMF) must be strengthened.

Between July 1 and 22, 1944, representatives of 44 countries met at Bretton Woods, a small town in New Hampshire in the United States, to build a framework for future international economic cooperation.

The two institutions they established, the IMF and the International Bank for Reconstruction and Development (IBRD), have helped to shape the postwar world.

Over the past 50 years, the economic, political and social context in which they have operated has undergone frequent and fundamental changes, and they have had to adapt their role accordingly.

The 50th anniversary of Bretton Woods, especially the 50th anniversary commemorative conference in Madrid, has given a special stimulus to this shift, with an unambiguous call heard for a stronger surveillance role for the IMF.

One of the original functions of the IMF was to oversee a system of fixed but adjustable exchange rates. But after this system collapsed in the 1970s, the IMF took on the surveillance of its member countries' economic policies as its chief responsibility.

This surveillance, however, has always been weak because, after the fixed regime of the Bretton Woods system characterized by par value and convertibility with the U.S. dollar was replaced by the present free-floating system, the industrial countries no longer had to rely on the IMF for financing.

Also, since 1973, the Group of Seven (G-7) major industrialized countries have been meeting outside the IMF to discuss economic policies and their common problems.

Although successive IMF managing directors have regularly attended G-7 summit meetings, the IMF has played only "an advisory role" on international monetary arrangements.

But the need for strong surveillance has increased because the sustained growth of the world economy warrants a more stable system of exchange rates.

Speaking at the closing session of the commemorative conference on Friday [30 September], IMF Managing Director Michel Camdessus said that the current exchange rate volatility and misalignments within the present international monetary arrangements are too costly and destabilizing to be acceptable.

He expressed the belief that exchange rate stability is essential for the effective operation of the market economy.

The managing director said he favored a carefully designed system of formal exchange rate commitments, but admitted that the time is not yet ripe for it.

The reason for this is partly that the countries issuing the three major currencies, the U.S. dollar, the Japanese yen and the deutsche mark, are not convinced at this stage that they must be ready to take an extra step to subordinate their monetary policies to exchange rate objectives.

Therefore, the task of fostering a more stable exchange rate system must be carried out in a different way, such as by strengthening surveillance by the IMF, the method supported by many delegates to the commemorative conference, including Camdessus himself.

Moreover, the process of globalization is making the IMF's surveillance role even more essential, as a means of preventing the spread of the negative influence of policy mistakes from one country to others, and indeed of eliminating shortcomings in policy, which are often the root of exchange rate volatility and misalignment.

Through a strengthened surveillance role the IMF will also be able to contribute to an even more reliable system of warning against emerging economic risks and so help promote the sustainable growth of the global economy.

National Day Marked in Various Countries

OW3009164194 Beijing XINHUA in English 1610
GMT 30 Sep 94

[FBIS Transcribed Text] Hong Kong, September 30 (XINHUA)—China's national day was observed in a number of Asian countries.

In Yangon [Rangoon], first secretary of Myanmar [Burma] State Law and Order Restoration Council Lieutenant-General Khin Nyunt attended a reception given by the Chinese ambassador to Myanmar this evening to mark the occasion.

In Islamabad, Pakistani Senate Chairman Wasim Sajjad attended a reception hosted by the All Pak-China Friendship Association Thursday [29 September].

Wasim Sajjad said on the occasion that relations between China and Pakistan, characterized by mutual understanding and respect for each other, have stood the test of time, rigors of political weather and swings in international politics and domestic changes.

Thailand's Deputy Prime Ministers Bunchu Rotchanasathian and Chawalit Yongchaiyut, President of the National Assembly Marut Bunnag [name as received], Speaker of the Senate Michai Ruchupan [name as received] and President of the Supreme Court Chief Justice Framarn Chansue [name as received] attended a reception in Bangkok given by the Chinese ambassador to the Kingdom of Thailand Thursday evening.

In Nepal, the Chinese Embassy in Kathmandu threw a reception this evening in celebration of the Chinese National Day which was attended by about 500 guests including high officials, political party leaders and diplomatic envoys.

Similar reception was hosted in Kuala Lumpur tonight by the Chinese ambassador to Malaysia.

United States & Canada

Qian Qichen Arrives in Washington, To Meet Clinton

*OW0310043294 Beijing XINHUA in English 0407
GMT 3 Oct 94*

[FBIS Transcribed Text] Washington, October 2 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen arrived here this evening to begin a two-day official visit to the United States.

During the visit, the first by a Chinese foreign minister to the country since 1990, Qian will meet President Bill Clinton and hold talks with Secretary of State Warren Christopher on Sino-U.S. relations and international issues of mutual concern.

Before traveling to Washington, the Chinese foreign minister attended the 49th session of the United Nations General Assembly in New York.

U.S. Not To Cite Trade Partners Under Super 301

*OW0210000594 Beijing XINHUA in English 2130
GMT 1 Oct 94*

[FBIS Transcribed Text] Washington, October 1 (XINHUA)—The Clinton administration will not cite any of its trade partners for unfair trade with the United States when it publishes its annual list of foreign trade barriers on Monday [3 October], officials said.

"We will publish a watch list and a list of practices and countries that are subject to negotiations," U.S. Trade Representative Mickey Kantor told reporters today. "We will not cite anyone under Super 301."

The administration is required to publish the list for priority countries engaged in unfair trade practices on Friday, as required by the Super 301 trade law, thus subjecting them to wider trade sanctions.

The U.S. began today the process of a one-year investigation under the Section 301 trade law about the unfair practices of Japanese auto and auto parts trade. Sanctions are expected after the investigation.

High Technology Helps U.S. Companies Ease Into Market

*OW0310084094 Beijing XINHUA in English 0747
GMT 3 Oct 94*

[FBIS Transcribed Text] Beijing, October 3 (XINHUA)—Advanced technology has played an important role in Amoco's successful cooperation with China over the past 20 years.

It is also advanced technology that helped Amoco, the fifth largest U.S. oil company, discover a large oilfield in the South China Sea in 1987.

Amoco Orient Petroleum Company (AMPC), a subsidiary of Amoco, was then entrusted to develop the Liuhua oilfield, the largest oil-bearing accumulation found in that area to date, together with its Chinese partners.

According to William Hudson, AMPC president and general manager, new and sophisticated technology has been used for the first time in tackling problems emerging in developing the oilfield.

Like Amoco, many U.S. companies have taken advanced technology as a powerful weapon in edging in the Chinese market, especially in such fields as petroleum, telecommunications, automobiles, space technology and computers.

Analysts here said held that the trends would help the U.S. companies expand their investment in China and increase their share in the Chinese market.

Hughes Electronics Company, a unit of General Motors which made efforts in trying to persuade the U.S. Government to lift restrictions on the export of advanced technology of satellite to China, has also been successful in cooperation with the Chinese space industry.

Hughes has launched two satellites with Chinese Long March rockets and also installed satellite communications terminals and systems in the Chinese cities of Beijing, Shanghai, Chengdu and Guangzhou. The terminals will eventually be manufactured in Shanghai by a recently established joint venture between Hughes and China.

Michael Armstrong, chairman of Hughes, said recently in Beijing during his China visit that his company would make full use of its advantages in technology to expand its cooperation with China not only in space industry, but also in the fields of telecommunications, communication, air-control, electronic vehicles and automobile electrics.

Ford Motor Company, the second largest auto makers in the world, gradually entered the China market through transferring technology to and training technicians for China in the past 10 years. Two joint ventures making auto components have been set up in China last June. A senior executive of Ford said that technological cooperation with China had laid good foundations for Ford's entry to China.

Alex Trotman, chairman of Ford, said during his recent Beijing visit that his company would like to set up several other Ford-China joint ventures of auto components in a few months, and introduce its latest technology to such projects.

If Ford has the opportunity to produce vehicles in China, it would adopt its latest design and technology, he added.

The Lotus software company, 12 years old, has brought many newly-developed products to China. last year, it not only developed the Chinese version of its latest softwares, but also undertaken extensive cooperation with Chinese computer companies and research institutes.

An official from the Chinese Ministry of Foreign Trade and Economic Cooperation (MOFTEC) said the advanced technology U.S. companies brought to China is not only beneficial to China's modernization drive, but also strengthen their position in the Chinese market.

Since many U.S. companies came here later than those from Hong Kong, Taiwan, Europe and Japan, they must have the advantage in both capital and technology to catch up with the early birds, she said.

As competition in the China market has become tense with the arrival of more and more large foreign groups, hi-tech would ensure them to gain an upper hand, she added.

In 1993, 52 of the world top 500 companies poured their investment into China, and by last July, the number increased to 200, of which 29 are among the top 100.

Moreover, the official pointed out, most of foreign-invested projects launched in recent years are large ones with big investment, advanced technology must be adopted to ensure their success.

The average investment for projects approved by the Chinese Government in the first half of this year involved at least 1.7 million U.S. dollars each.

However, the official said that due to various restrictions placed by the U.S. Government, the high technology introduced to China by U.S. companies is still limited.

She hoped that the U.S. Government and relevant decision makers would relax unnecessary restrictions in a bid to promote the bilateral exchanges of advanced technology between China and United States.

Central Eurasia

13th Round of Border Talks With CIS Ends

OW3009022194 Beijing XINHUA in English 0116
GMT 30 Sep 94

[FBIS Transcribed Text] Moscow, September 29 (XINHUA)—China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan held the 13th round of talks here on September 12-29 on the reduction of border troops and confidence building in the military field.

The delegations exchanged views on relevant issues in a friendly and sincere atmosphere, according to Chinese diplomatic sources here.

During their stay here, the Chinese delegation had a meeting with Russian Deputy Foreign Minister Aleksandr Panov and visited a Russian military base in the Russian Far East.

Northeast Asia

COC President Meets Asian Olympic Committee Head

OW3009153094 Beijing XINHUA in English 1507
GMT 30 Sep 94

[FBIS Transcribed Text] Hiroshima, September 30 (XINHUA)—Newly elected Chinese Olympic Committee [COC] President Wu Shaozu met here tonight with Shaykh Ahmad al-Fahd, president of the Olympic Council of Asia (OCA).

During the meeting, the OCA president reaffirmed his statement on September 12 that no political figure will be invited to or accommodated at the 12th Asian Games.

He also confirmed what he said during his talks with COC Secretary General Wei Jizhong in Kuwait this month.

Wu said COC and OCA have maintained good relations for a long time and as the new president of COC, he would continue to strengthen the cooperation between COC and OCA.

Beijing Cancels Meeting To Protest Hsu Japan Visit

OW0110125094 Tokyo YOMIURI SHIMBUN in Japanese 1 Oct 94 Morning Edition p 2

[By correspondent Toshiaki Arai]

[FBIS Translated Text] Beijing, 30 Sep—The 10th meeting of the "Committee on Japan-China Friendship in the 21st Century," a Japan-China conference of wise-men, is scheduled to open in Beijing in late October. It was learned today, however, that the meeting has been called off at China's request. The issue of attendance by Taiwan's Deputy Premier Hsu Li-te at the Hiroshima Asian Games has influenced China's request, and it is believed to have made the request as part of its protest against Japan. China is expected to cancel planned visits by its leaders to Japan in the future. Concern is growing as to whether Chinese Vice President Rong Yiren will visit Japan in mid-October as planned.

The committee, which has held its meetings alternatively in Tokyo and Beijing, plans to hold the 10th meeting in Beijing in late October. It also plans to make a proposal for desirable relations between Japan and China in the 21st century at the end of the Beijing meeting. The chairman of the committee on the Japanese side will not attend the Beijing meeting because of his health problem. Nonetheless, the Japanese side intended to

hold the 10th meeting in Beijing as planned by appointing an acting chairman.

According to a source familiar with the Japan-China relations, China has proposed calling off the planned meeting, citing reasons that members of the committee on the Chinese side will be unable to attend the meeting because of their tight official schedules and the chairman of the committee on the Japanese side should attend the meeting. As a result, the October meeting has been called off and postponed until next year. China has asked Japan to set the timing of the next meeting, and it remains unclear when the next meeting will be held.

China has not clearly cited the issue of Taiwan's Deputy Premier Hsu Li-te as a reason for demanding the cancellation of the meeting. Japan believes, however, that the issue has undoubtedly influenced China to call off the planned meeting. The committee called off a planned meeting when the Tiananmen incident occurred and this is the second such cancellation.

Qiao Shi Meets Japanese Friendship Group

*OW3009121794 Beijing XINHUA in English 1143
GMT 30 Sep 94*

[FBIS Transcribed Text] Beijing, September 30 (XINHUA)—China and Japan should look into the future from a strategic height so that bilateral relations will be further developed, China's top legislator Qiao Shi said here today.

Qiao, chairman of the Standing Committee of China's National People's Congress (NPC), made the remark when he met with the sixth delegation to China under the "Great Wall Friendship Exchange Program" from Japan led by member of the Japan's House of Representatives Ishii Hajime.

The Great Wall Programme, initiated in 1989, is a large-scale people-to-people friendly exchange activity between China and Japan, which is jointly sponsored by the Japan Renewal Party, the Japan-China Youth Exchange Association and the All-China Youth Federation.

Extending his welcome to the Japanese visitors who came here just several days before China's National Day on October 1, Qiao said that the Great Wall Programme has positive significance to the development of Sino-Japanese friendly relations as well as the relations between the parliaments of the two countries.

He expressed his hope that the programme will be continued and further expanded to meet the coming of the 21st century.

During the transitional period between this century to the next one, Qiao said, China and Japan should, proceeding from a strategic way, prevent bilateral friendly relations from any outside interferences and push the relations ahead.

Ishii Hajime said that among the delegation of more than 230 people were 16 Japanese parliament members. He said that the Japan Renewal Party wants to further strengthen its friendly relations with China.

Japanese Businesses Increase Investment in Pudong

*OW0210135194 Beijing XINHUA in English 1250
GMT 2 Oct 94*

[FBIS Transcribed Text] Beijing, October 2 (XINHUA)—Japan had invested a total of 320 million U.S. dollars in Shanghai's Pudong New Area by late September, which makes the country the second largest foreign investor after the United States.

According to a report in the shanghai-based "BUSINESS NEWS," a total of 43 countries and regions have invested in Pudong since China announced the opening of the Pudong area in 1990. By early 1992, Japan has started 18 projects with a total investment of 15 million U.S. dollars, most of them are small investment projects.

Since then, however, a number of Japanese business giants like JVC, Sharp, Ricon started their operation in Pudong. A total of 212 Japanese investment projects have been inked by now.

Meanwhile, Japanese enterprises are more active in the Pudong's service industry than other overseas investors. With Yaohan taking the lead in Pudong's retail sales, more Japanese businesses followed its steps such as banks and shipping companies.

A Japanese consortia has recently decided to build a skyscraper in Lujiazui in Pudong by pouring 800 million U.S. dollars. Another real estate development business giant has also joined in the development of one square km of land in the area. More than 460 business corporations from Tokyo, Nagoya and Osaka take interest in the development of Pudong, the paper said.

Comparison of Commentary on Japan Moves on Taiwan

HK2709033094

Beijing RENMIN RIBAO in Chinese on 25 September carries on page 4 a 900-character commentary entitled "Where Is the Japanese Government Going?" The RENMIN RIBAO version has been compared with the XINHUA English version published in the 26 September China DAILY REPORT, page 11, under the headline "Commentary Condemns Japanese Moves on Taiwan," revealing the following variations:

Column one, second full paragraph, sentence one reads: [Text] The 12th Asian, which the Asian people have long been expecting, is to begin in Japan's Hiroshima soon. But what the Japanese Government has done recently may cause damage to the grand gathering, put a shadow over Sino-Japanese relations, and evoke grave concern.

The president of... (omitting dateline and first paragraph, providing additional wording).

Column one, fourth paragraph, second sentence reads: ...the Japanese Government, jumping from the back stage to the front, has surprisingly given... (supplying additional words).

Column two, first partial paragraph, only sentence reads: ...not be invited.

The series of activities centering on the Asian Games carried out by the Taiwan authorities are their carefully planned political scheme and an attempt to break through the framework of Japanese-Taiwanese relations established since the normalization of Sino-Japanese relations and to create "two China's" or "one China, one Taiwan" in the international arena. and what the... (providing additional passage).

Column two, sixth full graph, only sentence reads: ...part of China.

If the Japanese Government acts perfidiously, clings obstinately to its own course, and ignores historical responsibility with... (providing additional wording).

Comparison of Li Peng Meets Japanese Businessmen

OW1509010494

Beijing Domestic Service in Chinese at 1438 GMT on 14 September carries a report on Li Peng meeting with Japanese businessmen. The Chinese version has been compared to the XINHUA English version published in the 15 September China DAILY REPORT, page 12, under the headline "Li Peng, Japanese Business Figures Discuss Taiwan Issue," revealing the following variations:

Column two, eleventh full paragraph, second sentence, make read: ...with Chinese characteristics.

The contents of the socialist market economy are very rich. Generally speaking, it mainly covers three areas: First, the public ownership system, being the main body of the socialist market economy, allows the existence of other economic elements; second, the socialist market economy is led by market forces; third, the socialist market economy stresses and enhances the state's macro regulation and control over the economy. Li Peng said: "What we have been doing is to guarantee the sustained, rapid, and healthy development of China's economy."

Of course, he... (providing additional paragraph).

Column two, last paragraph, only sentence, make read: ...Japanese economic ties.

Toyoda and Kawai said that Premier Li Peng's remarks were very important and that they would always remember his remarks. They added that Premier Li Peng's briefing on China's economy made them better understand China's present economic situation and

enhanced their confidence in further developing cooperation with China. The Japan-China Association for Economy and Trade would continue work for economic cooperation between the two countries.

The Japanese guests... (providing additional paragraph).

Li Peng Receives DPRK Vice President

OW3009123094 Beijing XINHUA in English 1206
GMT 30 Sep 94

[FBIS Transcribed Text] Beijing, September 30 (XINHUA)—Chinese Premier Li Peng met here today with Li Chong-ok, vice-president of the Democratic People's Republic of Korea (DPRK).

The fact that he has come on the eve of China's National Day to celebrate the festival together with the Chinese people is yet another vivid expression of the Sino-DPRK friendship, the premier said.

He said that the bilateral friendship, in the interests of the two peoples, is cemented with blood. No matter what happens in the world, and in each country, this friendship would last forever.

He told the DPRK friends that the decision on party building of the recently-closed Fourth Plenary Session of the 14th Central Committee of the Communist Party of China (CPC) is of far-reaching importance to furthering the construction of CPC.

He said that the CPC Central Committee with Jiang Zemin at the core, is a unified and strong leading team, which is capable and confident of leading the whole party and people to advance the socialist modernization cause.

Li Chong-ok conveyed greetings to Li Peng from Kim Chong-il.

After reviewing the history of DPRK-China friendship, he spoke highly of the great achievement China had made in building the socialist modernization with Chinese characteristics.

ROK's Hwang In-song Leads Friendship Group

Premier Li Peng Meets Visitors

OW0110020994 Beijing XINHUA in English 0101
GMT 1 Oct 94

[FBIS Transcribed Text] Beijing, October 1 (XINHUA)—Chinese Premier Li Peng met with a delegation from the Republic of Korea (ROK) here Friday [30 September] at the Great Hall of the People.

The eight-member delegation represented ROK-China Friendship Association and was headed by former ROK Prime Minister Hwang In-song.

Li extended his welcome to the delegation which has been here on a visit and attending celebrations for the 45th anniversary of the founding of the People's Republic of China.

"We are pleased to see that Sino-ROK relations have witnessed smooth development in all areas since the two countries forged diplomatic ties two years ago," Li said.

He continued that it is China's consistent policy to promote good-neighborly relations with its surrounding countries including ROK, on the basis of the five principles of peaceful co-existence.

The Chinese premier expressed the hope that Sino-ROK ties would be further enhanced.

He said that some industries in ROK, with relatively advanced technology, have their own advantages. "Therefore, the prospect of Sino-ROK co-operation is broad," Li added.

He voiced his appreciation for the association, which he said has done useful work for the promotion of the two countries' traditional friendship.

Hwang extended congratulations on China's national day and spoke highly of the country's economic achievements in the past 45 years.

He said that there has been new developments in ROK-China ties since ROK President Kim Yong-sam visited China earlier this year.

ROK hopes to maintain exchange of visits and dialogues between top leaders of the two countries to push for the further development of bilateral relations, Hwang said.

Among those present at the meeting were Qi Huaiyuan, president of the Chinese People's Association for Friendship with Foreign Countries, and Zhu Muzhi, president of Sino-ROK Friendship Association.

Li Peng To Visit ROK

SK0110010594 Seoul YONHAP in English 0055 GMT 1 Oct 94

[FBIS Transcribed Text] Beijing, Oct. 1 (YONHAP)—Chinese Premier Li Peng said Friday he would visit South Korea at the soonest possible date.

Li made the remark during a meeting with former South Korean Prime Minister Hwang In-song at the Great Hall of the People in Beijing Friday afternoon.

Hwang was visiting China at the invitation of the China-South Korea Friendship Association headed by Zhu Muzhi.

Premier Li is expected to travel to Seoul as early as this month.

Qian Qichen Urges Peace Mechanism for Koreas
OW0110003994 Beijing XINHUA in English 2044
GMT 30 Sep 94

[FBIS Transcribed Text] United Nations, September 30 (XINHUA)—Chinese Vice Premier and Foreign Minister Qian Qichen said here today that a peace mechanism should be built to replace the existing armistice agreement.

In meeting with South Korean Foreign Minister Han Sung-chu, Qian said that after the Cold War, it is abnormal that the Korean peninsula is still in the state of no-war-no-peace under the armistice agreement.

Qian also noted that before the establishment of a peace mechanism, the armistice agreement, signed at the end of the Korean War, should continue to be effective.

China deemed that the establishment of such a mechanism should be solved through dialogues and consultations by different parties concerned.

Han expressed understanding of China's stance in this aspect and said he is satisfied with the cooperation between the two countries.

On the talks between the Democratic People's Republic of Korea and the United States, the two ministers agreed, despite some difficulties, the momentum of the talks should be kept while expecting progress.

Qian reiterated China's support for non-nuclearization of the Korean peninsula and stability and peace in this region.

Qian, who is here attending the 49th session of the UN General Assembly, also met with Sri Lankan Foreign Minister Lakshman Kadirgamar [name as received].

During the meeting, Kadirgamar said his country adheres to one China policy and said this will not change.

Qian invited Kadirgamar to visit China at his convenience and he accepted the invitation.

The Chinese foreign minister also met Pakistani Foreign Minister Sardar Asif Ahmad Ali this morning. They agreed that contact between them will help coordinate their stands on major regional and international issues.

Qian also attended the breakfast meeting hosted by U.S. Secretary of state Warren Christopher for Asia-Pacific countries' diplomats attending the current UN session.

Southeast Asia & Pacific

Trade Minister Wu Yi To Visit ASEAN Nations
OW0310091394 Beijing XINHUA in English 0847
GMT 3 Oct 94

[FBIS Transcribed Text] Beijing, October 3 (XINHUA)—Wu Yi, minister of foreign trade and economic

cooperation, will begin a official visit to Indonesia, the Philippines and Malaysia October 7 after attending the meeting of trade ministers of the Asia-Pacific Economic Cooperation organization (APEC).

She will be guest of Indonesian Minister of Trade Satrio Budiarjo Yudono, Philippine Secretary of Trade and Industry Rizulino S. Navarro and Malaysian Minister of International Trade and Industry Padulza Yasidah Oziz.

This is Wu's first visit to the three countries since she was appointed China's foreign [trade] minister a year ago.

Official sources with Wu's ministry said that China enjoys good relationship with Indonesia, Malaysia and the Philippines which are China's important trading partners among the Association of Southeast Asian (ASEAN) Nations. Trade ties between China and the three countries have been on the rise over the past few years.

Indonesia is China's second largest trading partner among the ASEAN nations. The volume of bilateral trade last year was 2.143 billion U.S. dollars, a record in history. Bilateral economic and technological cooperation has also been growing fast.

The Sino-Malaysian relations in every field have progressed smoothly. Since 1987, the volume of bilateral trade has maintained an annual two-digit growth rate. Last year the volume of trade between the two countries came to 1.788 billion U.S. dollars, an increase of 21.1 percent. In the first seven months of this year, the trade volume rose by 85.9 percent to 1.339 billion U.S. dollars. Malaysia is now China's 16th largest trading partner.

China's trade with the Philippines has also increased considerably. The volume of bilateral trade in 1993 amounted to the record of 495 million U.S. dollars. From January to July this year, the volume of bilateral trade rose to 377 million U.S. dollars, representing a 87.4 percent increase compared with the same period of last year.

Chinese officials said that China and the three countries are complementary economically and there are great potentials for developing bilateral economic cooperation and trade.

To strengthen the good-neighborly ties and economic cooperation and trade between China and the three countries will be not only in keeping with their fundamental interests, but also beneficial to the peace and stability in Asia and the world as a whole, they said.

The officials said that during her visit, Wu will exchange views with her hosts on trade issues and seek mutual understanding.

To Attend APEC Meeting

OW0310092494 Beijing XINHUA in English 0903
GMT 3 Oct 94

[FBIS Transcribed Text] Beijing, October 3 (XINHUA)—A Chinese delegation led by Wu Yi, minister of

foreign trade and economic cooperation, will attend a meeting of trade ministers of the Asia-Pacific Economic Cooperation organization (APEC) to be held in Jakarta, capital of Indonesia, on October 6.

The forthcoming meeting will focus on the evaluation and implementation of the agreement of the Uruguay Round of multi-lateral trade talks and on issues related to the regional free trade.

Seventeen members of the APEC and ministerial-level representatives who will become official APEC members in November this year will attend the meeting.

During the meeting, the participants will exchange views on how to eliminate obstacles in regional trade and investment and discuss other issues of common concern.

Wu Yi will expound China's stand and views on some major issues in her address at the meeting. She will also confer with her counterparts on bilateral economic relations and trade, according the Chinese delegation.

Burma Overseas Chinese Mark National Day

OW0110081194 Beijing XINHUA in English 0721
GMT 1 Oct 94

[FBIS Transcribed Text] Yangon, October 1 (XINHUA)—Over 300 Overseas Chinese in Yangon, capital of Myanmar [Burma], gathered here today to mark the 45th anniversary of the founding of the People's Republic of China.

In their speeches on the occasion, Chairman of Myanmar Overseas Chinese Chamber of Commerce Lin Chenglong and Chinese Ambassador to Myanmar Mrs. Chen Baoliu spoke highly of China's achievements in the past 45 years.

Several cultural troupes of Overseas Chinese in Myanmar will give their performances on October 3-5 in commemoration of the 45th anniversary of the founding of the People's Republic of China.

Indonesian Business Delegation Visits

OW0110045994 Beijing XINHUA in English 0310
GMT 1 Oct 94

[FBIS Transcribed Text] Beijing, October 1 (XINHUA)—A business delegation from Jakarta, capital of Indonesia, is seeking intensified trade and investment ties with Beijing, which became Jakarta's sister city in August.

The week-long visit, which started on Wednesday [28 September], also aims to introduce Jakarta's rich tourism resources and economic development to the Chinese people, according to Moseno, vice-mayor of the city.

He said Jakarta offers investment opportunities in its service sector, including tourism projects, hotels, restaurants and real estate. Electronics, garment and household

appliance factories also would welcome investment. And companies interested in trade could consider the export and marketing of souvenirs.

Jakarta hopes foreign investment can help the city sustain its seven percent annual growth.

The Jakarta government will support investment projects that benefit the economy.

The city plans to absorb 3.4 billion U.S. dollars of foreign investment a year.

Singapore's Lee Kuan Yew Ends Henan Visit

*OW0210083194 Beijing XINHUA in English 0750
GMT 2 Oct 94*

[FBIS Transcribed Text] Zhengzhou, October 2 (XINHUA)—Lee Kuan Yew, senior minister of the Singaporean cabinet, has wound up his four-day good-will visit to Henan Province in central China, focusing on studying the province's investment environment and the ongoing economic cooperation between Henan and Singapore.

During his stay in Henan, Lee visited the provincial capital of Zhengzhou, the ancient cities of Kaifeng, Luoyang and Dengfeng, gaining the first-hand information of the local economic development, investment environment and social development.

Along with Lee's visit was an industrial and commercial delegation composed of 53 economic and trade officials as well as entrepreneurs.

The delegation held negotiations and discussions with relevant departments of the province on advancing economic cooperation, projects bidding, trade and developing tourism.

Sub-Saharan Africa

Chinese National Day Marked in Ethiopia

*OW0110004394 Beijing XINHUA in English 1630
GMT 30 Sep 94*

[FBIS Transcribed Text] Addis Ababa, September 30 (XINHUA)—Chinese Ambassador to Ethiopia Jin Sen gave a reception here today to mark the 45th anniversary of the founding of the People's Republic of China.

Among some 300 guests present at the reception were Fekadu Gedamu, vice-chairman of the Council of Representatives of the Ethiopian Transitional Government and other senior government officials.

Also present on the occasion were foreign envoys in Ethiopia and representatives of the Addis Ababa based international organizations including the Organization of African Unity and the UN Economic Commission for Africa.

Ambassador to Kenya Marks Chinese National Day

*OWs009132094 Beijing XINHUA in English 1244
GMT 30 Sep 94*

[FBIS Transcribed Text] Nairobi, September 30 (XINHUA)—Chinese Ambassador to Kenya Chen Pingchu gave a reception here today to mark the 45th anniversary of the founding of the People's Republic of China.

Nearly 1,000 people attended today's reception, among the guests were Kenyan Minister for Commerce and Industry Kirungi M'Mkundia and other high-ranking officials of the Kenyan Government.

Foreign envoys to Kenya were also presented at the reception.

The People's Republic of China was founded on October 1, 1949.

Founding Anniversary Marked in Zambia

*OW0110003894 Beijing XINHUA in English 2113
GMT 30 Sep 94*

[FBIS Transcribed Text] Lusaka, September 30 (XINHUA)—Chinese Ambassador to Zambia Yang Zengye gave a reception here this evening to mark the 45th anniversary of the founding of the People's Republic of China.

Among some 500 guests at the reception are acting Zambian Minister of Foreign Affairs Benjamin Mwila who is also defense minister, Minister of Home Affairs Chitalu Sampa, Minister of Works and Supply Andrew Kashita, Minister of Labor and Social Security Newstead Zimba and Minister of Environment and Natural Resources Dawson Lupunga.

Also present at the reception were foreign diplomatic envoys to Zambia as well as overseas Chinese and Chinese technicians in the southern African country.

The People's Republic of China was founded on October 1, 1949.

National Day Celebrated in Zimbabwe

*OW0110003594 Beijing XINHUA in English 1913
GMT 30 Sep 94*

[FBIS Transcribed Text] Harare, September 30 (XINHUA)—Chinese Ambassador to Zimbabwe Gu Xiner gave a reception here today in celebration of the 45th anniversary of the founding of the People's Republic of China.

Over 300 people attended the reception. Among them were minister of Health and Child Welfare Timothy Stamps, Chief Justice A. Gubbay and other high ranking officials and officers.

Foreign envoys here were also present at the reception.

Mugabe Sends Message

OW0110005094 Beijing XINHUA in English 1924
GMT 30 Sep 94

[FBIS Transcribed Text] Harare, September 30 (XINHUA)—Zimbabwean President Robert Mugabe sent a congratulatory message today to Chinese President Jiang Zemin on the occasion of the 45th anniversary of the founding of the People's Republic of China.

The message said that the Zimbabwean-Chinese relations, forged even before Zimbabwe's independence in 1980, have been consolidated over the years.

"I am confident that our two countries will continue to increase and further consolidate the existing cooperation, especially in the industrial and commercial areas," said Mugabe.

West Europe**Editorial Accuses UK of Playing 'Taiwan Card'**

HK0110073494 Hong Kong WEN WEI PO in Chinese
30 Sep 94 p A2

[Editorial: "Do the British Also Want To Create 'Two Chinas'?"]

[FBIS Translated Text] Since the PRC's founding and the establishment of diplomatic relations between China and Britain, the British Hong Kong authorities have always been cautious not to allow Taiwan bodies in Hong Kong to hold so-called "national day" activities at government-run venues. However, Patten has been working hand in glove with Taiwan since assuming office. He first met with Hsu Sheng-fa, a member of the Kuomintang Central Committee, at Hong Kong's Government House, and then this year he has allowed the "Chinese Cultural Association," a Taiwan body in Hong Kong, to hold a "national day" event at the Cultural Center in Tsimshatsui.

As everybody knows, neither the Hong Kong governor nor the Legislative Council can make policy and take action in contravention of Britain's diplomatic obligations. The Hong Kong governor and Hong Kong Government officials, who are under the control of a political adviser accredited to the Hong Kong Government by the British Foreign Office, must ask the political adviser for instruction on political affairs and sensitive diplomatic issues. Britain, which has diplomatic relations with China, has undertaken to implement the "one China" policy. This is the reason why Taiwan has failed to fulfill its wish to celebrate its "national day" inside a Hong Kong Government building for more than 40 years.

Recently, the Taiwan authorities have vigorously pursued "vacation diplomacy" and "flexible diplomacy," and what they want is nothing but to create a situation of "two China's" and "one China, one Taiwan" in the international community. In order to echo this, this year,

Taiwan bodies, whose political activities in Hong Kong have tended to become more and more open, openly applied to the Urban Services Department to hire a government-run venue to hold a "national day" event, thus enabling the "ROC" flag to appear in a government building. Without the British Hong Kong authorities' acquiescence, the application would have been rejected on the grounds of "full booking."

Officials of the British Hong Kong authorities claimed that the application concerned was approved because it met the terms of hiring the venue, which had not been booked at that time, and could not be rejected on any legal grounds. Whether or not approval should be given to "two China's" activities held in Hong Kong is a question which concerns the British side's promise made in the communique on the establishment of diplomatic relations between China and Britain, which depends on a British political decision and has nothing to do with the law. As the British Hong Kong authorities do have a mechanism for handling political affairs, it is impossible for the Urban Services Department to promptly approve this application without asking the Hong Kong Government for instructions. As the applicant is an organization with very strong pro-Taiwan colors and the date chosen was 10 October, it is obvious to everybody that what is to be held is a so-called "ROC's national day" event. (Essex), deputy political adviser to the Hong Kong Government, said: "The Hong Kong Government cannot discriminate against any group of applicants. The 10 October national day event is just a private celebration and only people who have invitations can join." This indicates very clearly that the Hong Kong Government was fully aware of the nature of the so-called "ROC national day" event as well as the background of the applicant body, but it "did not discriminate against" the application.

As far as the issue of diplomatic recognition is concerned, one who has recognized the PRC can neither recognize the "ROC" nor allow Taiwan to hold any "national day" activities at any Hong Kong Government-run venue. This matter has nothing to do with "discrimination" at all but concerns the enforcement of obligations prescribed by the communique. The British side's "nondiscrimination" reflects its interest in "two China's" and illustrates its ulterior motives to draw the "ROC national day" event into a government-run avenue. "Nondiscrimination" is an untenable explanation. Why did the British Government make representations to the United States to show its discontent with the grand reception accorded to the leader of Sinn Fein, a party engaged in secessionist moves in Britain? Why did Britain not approach Sinn Fein in accordance with the criterion of "antidiscrimination"?

Britain's involvement in Taiwan's "two China's" activities in Hong Kong is no coincidence but a move to insist on its confrontation with China, to challenge Sino-British cooperation, and to poison Sino-British relations, as well as a step towards playing the "Taiwan card."

Britain is attempting to prop up Taiwan forces before its retreat so that the latter can act as an underling to oppose and sabotage the implementation of "one country, two systems" in Hong Kong. The relationship between Britain's Taiwan policy and its confrontation with China has been pointed out by a British Parliament report on foreign policy. The report said: "We recommend a closer relationship between Westminster and the Legislative Yuan in Taipei.... We recommend that the government review the status of Taiwan's representative office in Britain and that relevant restrictions should be relaxed within the limits permitted by British Law.... Before the emergence of discord over the Hong Kong issue...officials responsible for our China policy have tended to excessively look at issues through the eyes of China." The report concluded that there was no harm in irritating China.

At present, both Hurd and Patten have unctuously said that Britain wants to "cooperate" with China, but they are so perfidious in their deeds that they do not even want to abide by the obligations prescribed by the communique. As the Chinese saying goes: "Judge people by their deeds, not by their words." What Britain has done can only help Hong Kong people see through its true colors of constantly sabotaging cooperation. Playing the "Taiwan card" is a clumsy tactic, and Britain must be held responsible for every consequence arising from worsened Sino-British relations.

Comparison FYI on Jiang, Mitterrand Talks

OW1009061794

Beijing Domestic Service in Chinese at 0341 GMT on 10 September carries a report on Jiang Zemin holding talks with French President Mitterrand.

The Chinese version has been compared to the English version entitled "Further on Talks" published in the China Daily Report on pages 19 and 20 and was found to contain the following variations:

Page 19, last paragraph, only sentence, reads: ...the president stressed.

As both China and France are permanent members of the UN Security Council, they shoulder major responsibility for world peace and security. China and France are willing to see the world develop in a multi-polar direction; both treasure their own independence and sovereignty and practice an independent foreign policy.

In addition, the... (providing additional information).

Page 20, column one, paragraph three, only sentence reads: ...the next century.

China's developmental priorities include agriculture, transport, energy, telecommunications, and infrastructure. As France excels in these areas, there is great potential for Sino-French economic and trade cooperation.

What type of... (providing different wording and additional information).

Page 20, column one, paragraph eight, only sentence reads: ...stability and development.

Mitterrand said that China's economy is growing rapidly, that China is on the road to becoming a rich nation, and its prestige in the international arena is on the rise. France is pleased with this. The credit of China's development belongs to the Chinese leaders and is due to the efforts of the Chinese people.

France is ready... (supplying additional information).

Page 20, column one, paragraph eleven, only sentence reads: "one China" stance.

Jiang Zemin said the world is now experiencing a profound change. After the end of the Cold War, the international situation has relaxed as a whole, but the world cannot be said to be at peace. There still exist hegemonism and power politics. International competition is fierce. Some developing countries have become more impoverished. The north-south contradictions have become conspicuous. Under the above circumstances, enhanced cooperation between China and France will be conducive to increasing factors for peace and stability in the international relationship.

The foreign ministers... (adding new paragraph).

East Europe

UN Security Council Condemns Attack on UNPROFOR Troops

OW0110052894 Beijing XINHUA in English 0510
GMT 1 Oct 94

[FBIS Transcribed Text] United Nations, September 30 (XINHUA)—The UN Security Council today condemned the 22 September attack on troops of the United Nations Protection Force (UNPROFOR).

It also condemned the reported statements of Bosnian Serb leaders that they would target UNPROFOR activities in retaliation for the passage of a council resolution tightening sanctions against the Bosnian Serbs.

In a statement read out by its president, Antonio Yanez Barnuevo of Spain, the Security Council warned the Bosnian Serb leadership against retaliatory actions against UNPROFOR or any other party.

It also called upon the Bosnian Serb party not to interfere with the functioning of the Sarajevo Airport and to cooperate on public utilities, communications and transport.

Bosnia Serbs Agree To Reopen Routes to Relief Convoys

OW0210023194 Beijing XINHUA in English 0050
GMT 2 Oct 94

[FBIS Transcribed Text] Belgrade, October 1 (XINHUA)—The Bosnian Serbs today agreed to reopen

routes for UN peacekeeping and relief aid convoys, said a spokesman for the UN Protection Forces (Unprofor) in Bosnia.

Since September 22, the convoys have been blocked by the Bosnian Serbs in retaliation for tightened sanctions from the United Nations and air strikes by the North Atlantic Treaty Organization (NATO).

The agreement to reopen routes for the convoys was reached in Pale, the headquarters of the Bosnian Serbs, just hours after the Serbs and the Muslim-led Bosnian Government agreed to swap war prisoners and evacuate the ill people.

However, according to reports reaching here, a four-point communique, issued by the Unprofor command after talks between the Serbs and Unprofor in Pale, did not mention the UN airlift.

It said, "approval has been given for the reopening of land routes for U.N. logistics convoys...commencing October 2."

"Approval has been given for the resumption of activities by international humanitarian organizations in distribution of humanitarian aid through land corridors ... commencing October 2," it said.

Latin America & Caribbean

Li Peng Meets Chilean Defense Minister

OW3009121894 Beijing XINHUA in English 1150
GMT 30 Sep 94

[Text] Beijing, September 30 (XINHUA)—China wishes to develop its cooperation in all fields with Chile, said Chinese Premier Li Peng at a meeting with Chilean Defense Minister Edmundo Perez Yoma today.

Though China and Chile are far apart geographically, their relations have been developing smoothly since the forging of diplomatic ties. There has also been a good foundation for developing economic cooperation and trade, Li said.

Perez conveyed Chilean President Eduardo Frei Ruiz-Tagle's regards to President Jiang Zemin and the premier himself. Chile is the first country in South America to establish diplomatic ties with China and hopes to become the country that sees the fastest development of economic cooperation with China, Perez said.

Present at the meeting were Chinese Defense Minister Chi Haotian and Premier Li's wife.

Political & Social

Reportage on National Day Celebrations

Li Peng Speech

OW3009115494 Beijing Central Television Program
One Network in Mandarin 1002 GMT 30 Sep 94

[Text of Li Peng's speech at the reception marking the 45th anniversary of the founding of the PRC at the Great Hall of the People on 30 September]

[FBIS Translated Text] Guests, friends, and comrades:

On the joyful occasion of the 45th anniversary of the founding of the great PRC, I, on behalf of the party Central Committee and the State Council, would like to extend my festival greetings to the people of all nationalities across the country working and studying hard on all fronts; give my cordial regards to the Taiwan, Hong Kong, Macao, and Overseas Chinese compatriots; and express my heartfelt thanks to our friends from various countries present at this reception and to all other foreign friends who are concerned about and support China's modernization drive.

On 1 October 1949, Chairman Mao Zedong proclaimed the founding of the PRC, ended the Chinese nation's long disaster-ridden years, and ushered in a new epoch of Chinese history. The Chinese people have since stood up.

Over the 45 years, the people of all nationalities in China, under the leadership of the CPC, have kept on working hard in spite of all setbacks and made splendid achievements that attract worldwide attention. Particularly since the Third Plenary Session of the 11th CPC Central Committee, the people of all nationalities in our country, under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, have persistently taken economic construction as the central task, upheld the four cardinal principles, persisted in carrying out reforms and opening up, determinedly kept forging ahead, blazed new trails, and achieved a new liberation of the productive forces. Great historic changes have taken place in our country's situation. With a sustained, rapid, and healthy development of the national economy, our overall national strength has been enhanced constantly and the people's living standards have evidently improved. The country enjoys political stability, social progress, and unity among nationalities, and keeps making progress in all its undertakings. Prosperity and vitality exist everywhere, in both urban and rural areas, as well as in both coastal and frontier regions. Full of confidence, the diligent and brave Chinese people are advancing triumphantly on the broad avenue of socialism.

Since the beginning of this year, all localities across the country, following the CPC Central Committee's guiding principle of seizing the opportunity, deepening reform,

opening up wider, promoting development and maintaining stability, have properly handled the relationship between reform, development, and stability; and have endeavored to do a good job in all fields. As a result, new progress has been made in carrying out reform, opening up, and economic construction; various important reform measures have been instituted smoothly; and a decisive step has been made in building a socialist market economic structure. On the basis of the rapid growth over the last two years, the economy has continued to develop in a rapid and healthy manner. Positive results have been achieved in exercising macroeconomic regulation and control; agricultural production and the rural economy have developed in a sustained way; peasants' income has increased more rapidly. Although some areas have suffered from natural disasters in varying degrees, the nation still anticipates a good harvest.

New achievements have been made in the industrial sector—to some extent, the industrial structure has been adjusted and economic efficiency has improved. Key construction has been stepped up; the scope of opening up to the outside world has continued to broaden; foreign economic and technological exchange has been active; import and export trade has increased steadily; foreign investment has been maintained at a relatively high level; socialist democracy, the socialist legal system, and socialist spiritual civilization have been strengthened; and all social undertakings have developed robustly. Nevertheless, there are still some difficulties and problems on the way to development. The major difficulties and problems are excessive price rises, relatively sizable investments, production and management problems of some state-owned enterprises, and poor public order in some localities. We are taking positive measures to solve these problems. We have the confidence and ability to solve the difficulties and problems on the way to development; and to continue to advance our reform, opening up, and modernization drive.

Guests, friends, and comrades, next year will be the last of the five years for China to comprehensively complete the Eighth Five-Year Plan of National Economic and Social Development. We should emphasize reforming enterprises, continue to consolidate and improve macro-management systems and various major reform measures, and make new strides in building a socialist market economic structure. We should make every effort to enhance the foundation of agriculture; to reap good harvests; to improve large and medium state-owned enterprises; to pay attention to the readjustment of industrial structure and product mix; to vigorously enhance scientific, technological, and educational work; to continue to curb inflation; to improve the people's living standards; and to lay a good foundation for formulating and implementing the Ninth Five-Year Plan. It is our strong belief that under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and of the party's basic line, and under the leadership of the CPC Central Committee

with Comrade Jiang Zemin at its core, and with the common efforts of the people of all nationalities across the country, we will surely witness a new leap in China's modernization when we celebrate the 50th founding anniversary of the PRC five years later. Our future will surely be more beautiful.

Guests, friends, and comrades:

Taiwan is an inalienable part of China's sacred territory. A series of recent statements and actions by the Taiwan authorities that obstruct the motherland's peaceful reunification have naturally aroused the grave concern of the Chinese people of all nationalities, including the compatriots in Taiwan. Any scheme to create two Chinas, or one China and one Taiwan, and other attempts to split China are resolutely opposed by the Chinese Government and people, and they will never succeed. Our unshakable basic stand and policy toward Hong Kong are known to all. No matter what may happen, China will resume the exercise of its sovereignty over Hong Kong on schedule. We also have the determination and ability to maintain Hong Kong's lasting prosperity and stability. China and Portugal have all along been carrying out friendly cooperation on the issue of Macao. The reunification of the motherland accords with the will of the people and with the general trend of the times. We strongly believe that with the efforts made and the solidarity displayed by the compatriots of all nationalities in the nation, including the Taiwan compatriots, Hong Kong and Macao compatriots, and Overseas Chinese compatriots, we will surely accomplish the great and eternal cause of the motherland's reunification.

Guests, friends, and comrades:

The current international situation is undergoing profound and complex changes. The world is moving toward a multipolar pattern at a faster pace. The overall situation is beneficial to world peace and development. The priority in economic relations has become a trend of the development of international relations. However, hegemonism and power politics still exist. The world is not peaceful and tranquil. It has become the universal demands of the peoples of all countries to recognize the world's diversity; on the basis of mutual respect of sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence, to establish a new international political and economic order that is peaceful, stable, fair, and reasonable; and to promote mutual understanding and cooperation among nations. China unwaveringly pursues an independent foreign policy of peace. It plays an increasingly important role in international affairs. We have continuously increased exchanges with foreign countries and raised our international standing. We have friends all over the world. China's development is inextricably bound with the world and world progress is also inextricably bound with China. The Chinese Government and people are willing to join the governments and peoples of all other

countries in further strengthening friendship and cooperation and in working hard to build a magnificent, peaceful, and prosperous world.

In conclusion, I propose a toast to the 45th founding anniversary of the PRC; to China's prosperity, national unity, people's happiness; to friendship and cooperation between Chinese people and the peoples of the world; to world peace and development; and to the health of all guests, foreign envoys in China and their wives, and our friends and comrades here!

Leaders Attend Reception

*OW3009142194 Beijing XINHUA in English 1341
GMT 30 Sep 94*

[FBIS Translated Text] Beijing, September 30 (XINHUA)—Chinese Premier Li Peng said today that China has made tremendous achievements in both social and economic development during the 45 years of its founding, especially the 15 years of reform and opening to the outside world.

This has greatly boosted overall national strength and lifted people's living standards, Li Peng told a grand reception marking the 45th anniversary of the founding of the People's Republic of China that falls on October 1.

Attending the reception were top Chinese leaders Jiang Zemin, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huqing, Hu Jintao and Rong Yiren, together with 3,500 people from all walks of life in the capital city. The reception was held in the Great Hall of the People here this evening.

Li Peng said that China's national economy has registered a sustained, rapid and healthy growth and the overall national strength has been constantly enhanced, and significant historic changes have been brought about to the country. There has been a constant growth in all fields of endeavor, in addition to political stability, social progress and national unity, he said.

In the year of 1994, all the reform measures to facilitate the establishment of the socialist market economy have been successfully carried out, which signified that China has taken a decisive step in its transition in the economic system, Li said on the eve of the National Day.

He said the national economy continues to develop rapidly and healthily, as the macro-level economic control by the state is gaining positive effects.

Among other achievements this year, Li cited the sustained development of agricultural production and rural economy as a whole and re-accelerated income growth of rural population; a good harvest is in sight despite natural disasters in some areas; there have been some improvements in industrial efficiency; and China has opened wider to the world, with a steady increase in foreign trade.

Li, however, admitted that the country still faces some problems and difficulties, which include the high inflation rate, over-extended capital construction scale, poor operation mechanism in some state enterprises, and poor social security situation in some areas.

The premier assured that the government is taking active measures to solve these problems.

Li Peng said that 1995 will be the final year of China's Eighth Five-Year Plan. In 1995 China will take the enterprise reform as the focal point, with continued effort to consolidate and perfect the major reforms aimed at improving macro-economic management, so that a new step will be taken toward the establishment of the socialist market economy. All efforts will be made to strengthen agricultural production, improve the performance of large and medium-sized state enterprises and lower the prices, he noted.

"The Chinese people of all ethnic groups may bring about a new leap forward in our modernization in five year's time through their concerted efforts, when we celebrate the 50th National Day of the People's Republic of China," the premier said.

Turning to the question of Taiwan, he warned that any conspiracy in separating Taiwan from China is doomed to failure. Recently, he said, a series of statements and moves by Taiwan authorities that stand in the way of a peaceful reunification of the motherland have aroused great concern from among the people of all nationalities in China, including the people of Taiwan.

He reiterated China's determination to regain the sovereignty over Hong Kong in 1997 and its confidence in maintaining long-term prosperity and stability in the region.

He noted China and Portugal have maintained friendly cooperation over the Macao question.

Li said it has become a common desire of the people of various countries in the world to recognize the diversity of the world, to establish peaceful, stable, equitable and rational international political and economic new order on the basis of mutual respect for sovereignty and territorial integrity, mutual non-aggression, mutual non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence, and to strengthen mutual understanding and cooperation among nations.

Voicing China's willingness for international friendship and cooperation, Li Peng said, "China cannot develop in isolation from the world and the world cannot progress without China."

Attending the reception were also Norodom Sihanouk, king of Cambodia and Queen Norodom Monineath Sihanouk; Yi Chong-ok, vice-president of the Democratic People's Republic of Korea; and senior officials from a number of countries.

Foreign envoys, resident representatives of international bodies and foreign experts working in China also attended the reception.

Commentary Hails National Day

OW0210065694 Beijing Central People's Radio Network in Mandarin 2230 GMT 30 Sep 94

[Station commentary: "Turning a New Page in the Deepening of Reform—Warmly Congratulate the 45th Anniversary of the Founding of the People's Republic of China"; from the "News and Press Review" program]

[FBIS Translated Text] On 1 October, the whole nation is in jubilation. With great joy, people of all nationalities across the country are ushering in the 45th founding anniversary of the People's Republic of China. On this auspicious day of the republic's birth, we would like to extend our festive greetings and highest regards to the people all over the country who have worked hard for the motherland.

After 45 years of construction, our great republic stands rock-solid in the East with a brand new outlook. Especially in the 15 years since China started reform and opening to the outside world, our ancient country is again fresh with youthful vigor. The various undertakings are growing with each passing day and China is marching into the 21st century in solid strides. Since spring, China's economic restructuring has entered the crucial phase of package reform. Major reforms in finance and taxation, banking, foreign exchange, foreign trade, investment, price, and the circulation structure have been announced one after another, spreading the impact of reforms to every household. Never before has China's reform involved such a degree of difficulty. Looking back today, that procedure we adopted was an important and successful step in establishing a socialist market economic structure. That procedure has not only been implemented steadily but has yielded visible results. Economic growth rate has fallen steadily but nonetheless maintained a rather fast pace. As of the end of August, the added value of industrial output rose 15.9 percent over the corresponding 1993 period; export, 31.6 percent; the nation's total volume of retail sales, after factoring in price rise, registered an increase of 4.8 percent; and individuals' bank savings amounted to 1,943.78 billion yuan. All these figures contain this truth; that is, China's reform, development, and stability are well-balanced; the CPC Central Committee's policy of putting reform at the center of all our undertakings is correct; and the Chinese people have successfully opened a new page in their march toward socialist modernization.

There are five to six years remaining in this century. We still have to put in a lot of hard work if we are to accomplish, on the basis of the existing conditions, the strategic goal of economic and social development and march into the 21st century under the CPC leadership. We have already drawn up a framework for China's

socialist market economy. To make it function in a sustained and healthy manner—to establish a mature market economic structure—requires meticulous planning and orderly implementation. It is necessary to quickly solve the problems and contradictions that may arise in the course of reform. We must encourage people to bear in mind the interests of the country as a whole and mobilize the initiative of all sectors. Party cadres at all levels shoulder heavy, historic responsibilities in this regard. Comrade Deng Xiaoping pointed out that problems are piled up mountain high and numerous tasks remain to be undertaken at the current historical turning point. Exercising more effective leadership and improving party conduct at such a time will have a decisive significance. It is important today to implement the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee and strengthen the ideological, theoretical, political, and organizational construction and improve work style in party organizations at all levels. Jiang Zemin once reminded the whole party that it must not neglect the building of socialist spiritual civilization while devoting itself to promoting reform, opening up, and economic construction. We must unswervingly adhere to the policy of promoting and attaching equal importance to both the material and spiritual civilizations and make new advances on both fronts.

Under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and party's basic line, let us work hard with one heart and one mind and march into the next century with confidence.

RENNMIN RIBAO Editorial

OW3009134594 Beijing XINHUA Domestic Service in Chinese 1016 GMT 30 Sep 94

[RENNMIN RIBAO 1 October Editorial: "Strive To March Into the 21st Century Victoriously—A National Day Message"]

[FBIS Translated Text] Beijing, 30 Sep (XINHUA)—In October, a month in golden fall, joyful Chinese people of all nationalities have ushered in the big day, the 45th founding anniversary of the PRC. On this auspicious day marked by nationwide celebrations, we wish to extend our cordial regards and warm greetings to people of all nationalities in the country; to our fellow countrymen in Taiwan, Hong Kong, and Macao; as well as to all Overseas Chinese!

All things are shiny and bright in this great land of ours. In our hope-filled croplands, rice and beans are swaying in the breeze with plump ears and pods; on the worksites of key projects, trucks are rolling and machines are roaring, and magnificent modern buildings are mushrooming one after another; on our beautiful campuses, a generation of highly-spirited young people are growing up sturdily; and reports of successes achieved in scientific and technological research are pouring out from our

research laboratories. In our motherland, a country 9.6 million square kilometers in size, the spring tide of reform is surging, and the vitality of development can be seen all over the place from north to south and from east to west. Our people's republic is one country enjoying political stability, economic prosperity, and harmony and contentment among the people.

Forty five years have gone by rapidly like a fleeting moment. The Chinese people can never forget that our country entered the 20th century with historical humiliation inflicted by foreign powers' aggression and partition. Countless people with lofty ideals made painstaking efforts in exploring ways to achieve national independence and national rejuvenation. Linking basic Marxist theories and China's actual situation, Chinese Communists found the way to achieve national independence and liberation, and led the people in the country to overturn the three big mountains [imperialism, feudalism, and bureaucrat-capitalism] through waging arduous struggles. As the five-star red flag rose slowly, a new China was born 45 years ago. Since then, earth-shaking changes have taken place in this ancient land of China. During these 45 years, the people in the whole country—under the leadership of the CPC and the people's government, and after going through twists and turns—closed the history of poverty and backwardness under which they were subjected to discrimination, oppression, and exploitation; and followed the socialist path on which colossal successes have been achieved in the political, economic, defense, diplomatic, scientific, technological, cultural, educational, public health, sports, and other fields. Especially since the Third Plenary Session of the 11th CPC Central Committee, people throughout the country have enthusiastically thrown themselves into the great historic cause of reform and opening up, concentrating their efforts on economic construction. The whole country has been revitalized, combined national strength has increased conspicuously, and the people's livelihood has improved noticeably. The flag of socialism is flying high in China, which accounts for one-fifth of the world's population.

Boiling it down to one point, the basic practice and basic experience accomplished and gained in the past 45 years is that we must merge the universal Marxist truth with China's actual situation, follow our own path, and build socialism with Chinese characteristics. Since the Third Plenary Session of the 11th CPC Central Committee, Chinese Communists, with Comrade Deng Xiaoping as the representative, have found the path to build up China, established Deng Xiaoping's theory of building socialism with Chinese characteristics, set the basic line characterized by "one center, two basic points," and ushered in the new historical period of reform, opening up, and modernization in China—doing all this on the basis of summing both positive and negative experiences gained since the founding of the republic and studying other countries' experiences and the world situation. We have ample confidence and ability to proceed firmly and

triumphantly along the course charted by the theory of building socialism with Chinese characteristics and by the party's basic line.

There are six years or so from now to the end of this century. Building a preliminary socialist economic system and achieving the second-step strategic objectives set for economic and social development in all areas are important missions confronting us, and also historical issues concerning with what appearance China will step into the 21st century. We must use Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to arm all party members and educate cadres and the people, unify their minds, and strengthen their conviction so that they will actively, comprehensively, and correctly carry out the party's basic line. We must continue to follow the general requirements—namely "seizing the opportunity, deepening reforms, opening up wider to the outside world, expediting development, and maintaining stability"—which the party Central Committee has set for the whole party and people throughout the country; and properly handle the relationship among reform, development, and stability so that our cause can proceed in a planned, well-guided, and orderly manner. We must meticulously organize and push forward reform and opening up in all fields, and achieve the objectives set for reform of the economic system and for reforms in other sectors. We must properly handle all kinds of contradictions appearing during the economic and social development, and intensify and improve macroeconomic regulation and control to maintain a sustained, rapid, and healthy national economic development. We must strengthen the construction of our socialist democratic and legal systems to maintain political and social stability, and create an even better environment for reform and construction. We must intensify the construction of our spiritual civilization and educate the vast number of people, especially young people, on patriotism, collectivism, and socialism; and we must foster righteousness, rally the people, boost their morale, and coordinate their steps so that we can contribute to our country's revitalization with one heart and one mind. The missions ahead are formidable, and we will encounter new situations and problems on our way. However, China's progress and development, like the rolling rivers—the Chang Jiang and the Huang He—will surge ahead irresistibly.

The just-concluded Fourth Plenary Session of the 14th CPC Central Committee is an important meeting of overall and far-reaching significance, which convened at a crucial moment for China's reform and construction. All party comrades must diligently study, thoroughly understand, and comprehensively implement the plenary session guidelines. The CPC is the force at the core of leading and uniting the Chinese people of all nationalities in the great cause of building socialism with Chinese characteristics. To march at the forefront of the times, constantly exercise strong leadership in the entire process of socialist modernization construction, always adhere to the party's nature as the vanguard of the

working class, and to serve the people wholeheartedly, we must further strengthen party building. We must, in accordance with the requirements of the "Decision" adopted by the Fourth Plenary Session of the 14th CPC Central Committee, continue to promote the new monumental project and push party building to a new level so as to inject great hope into our cause.

Compatriots of all nationalities throughout the country, the dawn of the new century is waving at us and our great motherland is marching along the boulevard of all-around rejuvenation with big strides. The hope of success and glory of victory lies in continued hard efforts. Let us, guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, closely rally around the party Central Committee with Comrade Jiang Zemin as the core, redouble our efforts, and work in a down-to-earth way; and strive to achieve the goal of reform and development before the end of this century, and to build China into a strong, prosperous, democratic, civilized, modern socialist country in the 21st century!

Li Peng Hosts 'Grand' Reception

OW0210074694 Beijing XINHUA Domestic Service in Chinese 1427 GMT 30 Sep 94

[FBIS Translated Excerpt] Beijing, 30 Sep (XINHUA)—Li Peng, premier of the State Council, hosted a grand reception at the Great Hall of the People this evening to mark the 45th anniversary of the founding of the People's Republic of China. [passage omitted]

This evening, the banquet hall of the Great Hall of the People was brightly lit. The curtain on the rostrum was emblazoned with a huge national emblem, below which were gold-colored numbers denoting the years 1949-94.

At 1800 [1000 GMT], Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huqing, Hu Jintao, and Rong Yiren walked into the banquet hall, amid music welcoming guests, to celebrate the Chinese people's great festival with people from all circles and more than 3,500 guests from the five continents.

After the majestic national anthem was played, Li Peng walked onto the rostrum to deliver his speech. [passage omitted]

Attending the reception by invitation were Cambodian King Norodom Sihanouk and Queen Monique Sihanouk, who are currently on a visit to Beijing; DPRK Vice President Yi Chong-ok; Al-Qatabi, speaker of the Omani Consultative Council; Kumar Shinde [name as transliterated], general secretary of the Indian National Congress; and Kawalieluo [name as transliterated], vice president of the Bolivian Chamber of Deputies.

Other leaders who attended the reception were: Ding Guangen, Tian Jiyun, Li Lanqing, Li Tieying, Zou Jiahua, Chen Xitong, Wei Jianxing, Wen Jiabao, Wang Hanbin, Song Ping, Bo Yibo, Song Renqiong, Zhang

Zhen, Ren Jianxin, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, Qin Jiwei, Li Ximing, Wang Bingqian, Wang Guangying, Cheng Siyuan, Lu Jiaxi, Buhe, Tomur Dawamat, Li Peiyao, Wu Jieping, Chi Haotian, Song Jian, Li Guixian, Chen Junsheng, Ismail Amat, Peng Peiyun, Luo Gan, Zhang Siqing, Wu Xueqian, Yang Rudai, Wang Zhaoguo, Ngapoi Ngawang Jigme, Seypidin Aze, Hong Xuezhi, Zhao Puchu, Qian Weichang, Hu Sheng, Qian Zhengying, Ding Guangxun, Sun Fuling, An Zijie, Zhu Guangya, and Wan Guoquan.

Also in attendance were CPC Central Committee members and alternate members, and members of the former Central Advisory Commission, the Central Discipline Inspection Commission, the National People's Congress Standing Committee, and the Standing Committee of the National Committee of the Chinese People's Political Consultative Conference in Beijing; key responsible persons of departments under the CPC Central Committee and central state organs; members of the Central Military Commission; responsible persons of the three general departments, services, and branches of the People's Liberation Army [PLA]; responsible persons of the Armed Police Force; people from various democratic parties; people with no party affiliation; key responsible persons of various mass organizations; prominent figures from scientific, technological, educational, cultural, art, press, publishing, health, and sports circles; representatives of model workers and advanced individuals; model heroes of the PLA and the Armed Police Force; representatives of retired Red Army veterans and veteran cadres; the Living Buddha Garmaba of the Karma Kagyudpa sect of Tibetan Buddhism and his party; representatives of Hong Kong, Macao, and Taiwan compatriots; and representatives of Overseas Chinese nationals and foreign nationals of Chinese descent.

Also attending the reception by invitation were foreign envoys and representatives of international organizations in China and their wives, foreign experts who are long-term residents in China, and foreign experts who have made contributions while on temporary assignments to China and their wives.

Jiang Zemin, Others Mark Day

OW0210055794 Beijing XINHUA Domestic Service in Chinese 1627 GMT 1 Oct 94

[FBIS Translated Excerpt] Beijing, 1 Oct (XINHUA)— Some 100,000 people of various circles in Beijing held a large-scale party at the Tiananmen square this evening to warmly celebrate the 45th founding anniversary of the People's Republic of China. Party and state leaders, including Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huqing, Hu Jintao, and Rong Yiren climbed up on the Tiananmen rostrum and enjoyed the special evening together with the masses. [passage omitted]

At 1930, Beijing Mayor Li Qiyan declared open the evening party. [passage omitted]

After the second round of fireworks, Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huqing, Hu Jintao, and Rong Yiren successively walked over to various parts of the rostrum, and held cordial conversations and exchanged festive greetings with other attendees who had been invited to the party, including old comrades, wives of late comrades, national model workers, representatives of military heroic models, responsible figures of democratic parties, figures without party affiliations, leaders of mass organizations, and representatives of minor nationalities. Garmaba Chilaidoje, Living Buddha of the White Sect of Tibetan Buddhism, presented a white hada [a piece of silk] as a gift to Jiang Zemin. Jiang Zemin expressed his hope that the Living Buddha will study hard and grow up healthily so as to make more contributions to Tibet's development and prosperity. [passage omitted]

Foreign distinguished guests marking the anniversary together with Chinese people on the Tiananmen rostrum included Yi Chong-ok, vice president of the DPRK; 'Ali al-Qutaybi, chairman of the Omani Consultative Council; Lawaxi [2139 3907 1585], vice chairman of the Omani Consultative Council; Kumar Shinde [1655 7456 1422 6580 1795], general secretary of the Indian Congress Party; and Kawalieluo [0595 3907 0441 5012], vice chairman of the Bolivian Chamber of Deputies.

Leading comrades joining the party on the Tiananmen rostrum included Ding Guangen, Tian Jiyun, Li Lanqing, Li Tieying, Zou Jiahua, Chen Xitong, Wei Jianxing, Wen Jiabao, Wang Hanbin, Yao Yilin, Song Ping, Bo Yibo, Song Renqiong, Zhang Zhen, Ren Jianxin, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, Qin Jiwei, Li Ximing, Wang Bingqian, Wang Guangying, Cheng Siyuan, Lu Jiaxi, Buhe, Tomur Dawamat, Li Peiyao, Wu Jieping, Chi Haotian, Song Jian, Li Guixian, Chen Junsheng, Ismail Amat, Peng Peiyun, Luo Gan, Zhang Siqing, Yang Rudai, Wang Zhaoguo, Ngapoi Ngawang Jigme, Seypidin Aze, Hong Xuezhi, Qian Weichang, Hu Sheng, Qian Zhengying, Sun Fuling, Ann Tse Kai, Zhu Guangya, and Wan Guoquan.

Also joining the party on the Tiananmen rostrum were members and alternate members of the CPC Central Committee in Beijing; members of the Standing Committee of the CPC Central Committee Central Discipline Inspection Commission; members of the National People's Congress Standing Committee; members of the Chinese People's Political Consultative Conference Standing Committee; responsible figures of central leading party, government, military, and social organs; and Beijing municipal leaders.

Also attending the party on platforms next to the Tiananmen rostrum were model workers of various circles; representatives of minor nationalities; compatriots from Hong Kong, Macao, and Taiwan; foreign friends; and figures from Tianjin, Shanghai, Guangdong, Sichuan, Shaanxi, Shandong, and Liaoning who have come to Beijing to attend national day celebrations.

Beijing Holds Gala Evening Celebration

OW0110144094 Beijing XINHUA in English 1411
GMT 1 Oct 94

[FBIS Transcribed Text] Beijing, October 1 (XINHUA)—Tiananmen Square was a scene of jubilation this evening when Chinese leaders headed by Jiang Zemin mounted the Tiananmen rostrum to enjoy, together with people in Beijing, the sights and sounds and colors specially arranged for the 45th birthday of New China.

At dusk, torrents of people in their holiday best began pouring into this largest square in the world, the "heart of China," marching in the splendor of lights that added to the glory of the Changan Avenue, the main thoroughfare that runs east to west past the Tiananmen gate.

At 7:30 pm, Li Qiyan, mayor of Beijing, declared open the evening extravagant celebration.

As the five-star national flag was being hoisted by a guard of honor and young representatives of China's 56 ethnic groups, all in the square, 100,000 strong, began singing the national anthem to the accompaniment of a brass band.

The salvos were booming, 28 in all, fired by 60 canons specially designed and made for the occasion.

On the Tiananmen rostrum newly painted and brightly-lit with red lanterns, Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huqing, Hu Jintao, Rong Yiren and other leaders stood at salute to the national flag.

National flag raised at sunrise and lowered at sundown by a guard of honor are daily ceremonies on the square, when crowds gather to salute the symbol of the nation.

This evening's flag-raising ceremony, however, was a collective tribute, an occasion when leaders of China and the people gathered to express their love for the country. It brought to life the on-going mass education in patriotism.

At 7:33, fireworks shells began roaring into the sky over the Tiananmen square, instantly turning it into a dreamland of flowers, great in size, exotic in shape and dazzling to the eye.

Meanwhile, a group of China's best singers began singing the chorus "Ode to the Motherland" on an improvised stage facing the Tiananmen rostrum.

This was the beginning of the gala evening that also featured the best artistic performances from eight provinces, municipalities and autonomous regions. Altogether, 1,800 artists of different ethnic groups participated. "The Glory of the Land of Snow," a show of Tibetan costumes and folk songs, won round after round of applause.

Fireworks were also displayed in 18 locations throughout the Beijing municipality—in its urban districts as well as in the counties under its jurisdiction.

Whole families turned out to enjoy the sights and colors. They thronged the streets and parks or climbed to the tops of tall buildings for a better view as something special, something never seen in previous national festival firework displays—had been prepared.

A string of silvery stars shot up and exploded, and instantly, the skies were bathed in dazzling blue. Amidst the boom of another round of explosion, there appeared high above plums blossoming bright red against a vast background in pure white.

Throughout the square people were singing and dancing. In an area facing the Tiananmen gate, 16,000 college students and 2,000 scientists as well as returned Overseas Chinese were doing collective dances. "I feel 20 years younger today," said a professor of physics, her hair already turning grey.

The 17th Living Buddha Garmaba of Tibet was also on the rostrum. Jiang Zemin, beaming with smiles, presented him with a "hada"—a traditional Tibetan silk scarf—as a token of respect, and the teacher of the Living Buddha presented Jiang with a "hada" in return.

The ten-year-old Garmaba arrived in Beijing on September 25, just days before the second anniversary of his ascending to the throne as the reincarnated child of the 16th Garmaba.

A group of foreign dignitaries were honored on the Tiananmen rostrum, including Yi Chong-ok, vice-president of the Democratic People's Republic of Korea.

Further on Celebrations

OW0110131194 Beijing XINHUA in English 1244
GMT 1 Oct 94

[FBIS Transcribed Text] Beijing, October 1 (XINHUA)—Thunderous salvos marked the beginning of the celebrations of the 45th anniversary of the founding of the People's Republic of China at the Tiananmen Square tonight.

At 7:30 local time, a 28-salvo salute was fired to symbolize the 28 years of struggle of the Chinese Communist Party before it came to power in 1949.

At the same time, the national flag was raised, for the first time at night, to the majestic melody of the national anthem sung by more than 100,000 people gathered on the square.

Jiang Zemin and other top Chinese leaders were on top of the Tiananmen gate, standing at attention while the national flag was being hoisted.

Soon afterwards, fireworks were fired simultaneously on Tiananmen square and other 15 places in urban and suburban Beijing to make the night sky virtually a sea of flowers.

China is the birthplace of fireworks, which are used in auspicious days. This time at the Tiananmen square fireworks were fired by 60 newly-made special-purpose canons in three sessions, lasting a total of 65 minutes.

According to official sources, tonight's salute and fireworks show was unprecedented in terms of lasting time and varieties. More than 90 of the altogether 300 types of fireworks were new varieties, some can reach as high as 350 meters and radiate 200 meters in diameter in the air.

Each of the 1,800 policemen responsible for the firing has to blast off more than 180 firework shells, the sources said.

To ensure the smooth firing, those policemen had undergone three months of intensive training, 12 hours each day, they added.

People Celebrate National Day

OW0110075494 Beijing XINHUA in English 0650
GMT 1 Oct 94

[FBIS Transcribed Text] Beijing, October 1 (XINHUA)—More than 400,000 people from all walks of life thronged to Beijing's festively-decorated parks today to celebrate the 45th anniversary of the founding of the People's Republic of China.

State and party leaders, including Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huqing, Hu Jintao and Rong Yiren, joined the cheerful crowds in the Zhongshan Park, the working People's Palace, the Beihai Park and the Temple of Heaven respectively.

From early morning, people began to swarm into the eight big parks in the capital city, where exhibitions were being held to show fruitful results of China's reform and opening-up.

At the gate of the Zhongshan Park, children in colorful costumes of different ethnic minorities were singing and dancing to welcome visitors. In the park, an exposition co-sponsored by Beijing and Tianjin showed tremendous changes in the two cities since the founding of New China.

In the Working People's Palace, a computerized picture depicting Deng Xiaoping's inspection of southern China and a model of new "Nanjing Road" in Shanghai attracted a big crowd.

Other parks also organized varied interesting activities and drew a great number of visitors.

Among the merry makers in the parks were scientists, national model workers, heroes from the People's Liberation Army, ethnic people, Overseas Chinese and compatriots from Taiwan, Hong Kong and Macao.

Flag Raising Ceremony Held

OW0110075194 Beijing XINHUA in English 0634
GMT 1 Oct 94

[FBIS Transcribed Text] Beijing, October 1 (XINHUA)—China began its gala National Day celebrations

today by holding a mass flag hoisting ceremony at central Beijing's Tiananmen Square.

Tens of thousands of gaily-attired people from all walks of life in the capital converged into the world's largest square at about 5 o'clock this morning to watch the magnificent sight. Many came after travelling a long distance from the outskirts of Beijing and from other places.

About 200 primary students sitting on the square sang with their teachers the popular song, "October Is the Birthday of Our Motherland".

The People's Republic of China was founded on October 1, 1949, when Chairman Mao Zedong hoisted the nation's first national flag here.

A bespectacled student from North China Electricity University said he arrived at the square from his school in Hebei Province last night, about five hours before the ceremony began.

A middle-aged Beijinger carrying his son on the shoulder said by watching the ceremony he expected his son to receive education in patriotism.

At 6:00, the red, five-star flag, which represents unity among all nationalities in China, held by a taiji armyman and escorted by 35 others, was carried towards the flagpole on the square through Tiananmen Gate to the music played by a military band.

As the standard bearer pushed the button, the national flag was hoisted slowly to the top of the 30 meter flag post, while the band was playing the national anthem.

A solemn silence reigned at the huge square, when all in the big crowd saluted the rising flag with eyes.

About two minutes later, the flag raising ceremony was completed and the merry-makers on the square applauded and cheered enthusiastically as the red sun began to rise.

100,000 Attend Gala

OW0110132194 Beijing XINHUA in English 1300
GMT 1 Oct 94

[By Chen Xin and Li Xiguang]

[FBIS Transcribed Text] Beijing, October 1 (XINHUA)—A grand display of fireworks brightened the sky of Beijing, capital of China, tonight as the city celebrated the country's 45th birthday.

More than 100,000 people gathered at the Tiananmen Square for the gala, the biggest of its kind in the past ten years.

Senior Chinese leaders including President Jiang Zemin were on top of Tiananmen gate watching the exciting party on the square below.

On October 1, 1949, the late Chinese leader Mao Zedong announced the founding of the People's Republic of China on Tiananmen gate—which literally means the gate of heavenly peace and was for centuries the main gate for entering Chinese Imperial Palace.

A new fiberglass-reinforced huge portrait of late Chairman Mao Zedong hung on the gate, and a portrait of Dr. Sun Yat-sen who led Chinese Revolution of 1911 to overthrow the country's last feudal dynasty stood on the square.

Tonight's gala celebration was the largest of its kinds since 1984 when veteran Chinese leader Deng Xiaoping appeared on the Tiananmen gate.

The four-and-a-half-hours evening party began with singing in unison of the Chinese national anthem by the 100,000 people from the country's 56 ethnic groups.

Echoing the national Song, Chinese soldiers fired a salvo of 28 with 60 guns which symbolize the 28 years the Chinese communists had taken to achieve its nationwide victory in 1949.

Since 1949, China's national income has increased by 29 times and the annual growth rate of the country's GDP has averaged 7.3 percent for the past 45 years.

Economic growth has sped up remarkably in the past 15 years thanks to the reform and opening-up policy, averaging 9.3 percent annually during the period.

Facing the Tiananmen gate is a huge billboard which extols "deepening reform, broadening opening, promoting development and upholding."

Tonight's gala on Tiananmen is expected to be joined by at least one billion Chinese people at home and abroad by watching a televised coverage of the event through satellite.

Provinces, Autonomous Regions Celebrate

OW0210153294 Beijing XINHUA in English 1454
GMT 2 Oct 94

[FBIS Transcribed Text] Beijing, October 2 (XINHUA)—People of different nationalities from across the country, all clad in beautiful clothes, celebrated in their own ways the 45th anniversary of the People's Republic of China, which fell on yesterday.

Senior leader Yang Shangkun, and other central and local government leaders, joined local officials and people in the celebrations.

In Beijing, where major streets and lanes are decorated with pots of fresh flowers and national flags have been flying high at flagpoles in front of many important governmental departments and institutions. Some 400,000 people of different communities gathered together in eight major parks of this nation's capital yesterday to celebrate the 45th birthday of New China. Wu Bangguo, a member of the Political Bureau of the

Central Committee of the Communist Party of China (CPC) and also a newly elected member of the Secretariat of the CPC Central Committee, and Huang Ju, a newly elected member of the Political Bureau of the CPC Central Committee and mayor of Shanghai, also joined labor models, foreign friends and other people from various communities in parks yesterday for the national day celebrations.

Ten specially-decorated ships carried party and government leaders of Shanghai and representatives of different communities on a cruise on the Huangpu river.

In Tianjin, which is situated by the Bohai sea in north China, all major parks were beautified for the occasion. The municipal party and government leaders went in six groups to join tens of thousands of local people in parks for the celebrations yesterday.

Local people from Shandong, Guangdong, Anhui, Shanxi, Sichuan, Jiangsu and Jiangxi Provinces were active in participating in various celebrations.

In Jinan, capital of Shandong Province and dubbed as a "City of Springs", 1 million pots of fresh flowers have decorated the city. Senior leader Yang Shangkun and Jiang Chunyun, a new member of the Secretariat of the CPC Central Committee and the provincial party secretary, yesterday joined local people in parks for the celebrations.

On the eve of the national day, Guangdong Provincial Government and Guangzhou City Government arranged a grand reception and a cultural and art evening party to mark the national day.

Nanjing, provincial capital of Jiangsu, was all decorated with lanterns and colorful streamers. Cultural and art performances, as well as exhibitions were staged yesterday in a dozen of public places to hail the 45th anniversary of New China.

In Qiqihar city of northeast China's Heilongjiang Province, 15,000 workers, students, office workers and People's Liberation Army stationed in the city gathered at the square of a local stadium to hold a grand national flag raising ceremony.

Local people of different nationalities in Xinjiang Uygur, Tibet, Inner Mongolia, Ningxia Hui and Guangxi Zhuang Autonomous Regions celebrated the national day in high spirits. Commodities of various kinds in all large stores of Urumqi, capital of Xinjiang, are a feast for the eyes. Meat, eggs, vegetables and aquatic products on local markets are plenty, with people bustling about, posing a picture of prosperity.

In Lhasa, regional capital of Tibet, all the government institutions, enterprises and schools yesterday hung out huge streamers inscribed with the words "warmly celebrate the national day".

The Chinese People's Liberation Army units stationed in Tibet and all schools held flag raising ceremonies, with

the singing of national anthem resounding in the air over this capital of the Tibet Autonomous Region.

Residents of Lhasa dressed in their holiday best streamed into major parks and palaces in the city to attend a gala party in the morning. Others flocked to the foot of the Potala Palace to pose for group pictures in front of the magnificent palace which has just been renovated.

More than 200,000 local people of Hani-yi-dai Autonomous County of Yuanjiang of southwest China's Yunnan Province celebrated the national day in their traditional way.

Columnist Sees Party Elder Song Ping Making 'Comeback'

HK0310055694 Hong Kong SOUTH CHINA MORNING POST in English 3 Oct 94 p 7

[By Willy Wo-Lap Lam]

[FBIS Transcribed Text] Conservative patriarch Song Ping has made a comeback with frequent appearances during the National Day celebrations. Mr Song, a former member of the Politburo Standing Committee, is one of the few party elders whose influence is gaining in the run-up to the post-Deng Xiaoping era.

Political analysts believe the 77-year-old ideologue is playing a big role in choosing the "fourth-generation leadership", or rising stars in their 40s and early 50s who might succeed leaders such as President Jiang Zemin and premier Li Peng.

Mr Song, also the head of the so-called Gansu Faction, was one of a handful of elders to put in a public appearance the night of October 1. He was seen together with another retired member of the Politburo Standing Committee and conservative elder, Yao Yilin.

At the state banquet on the eve of National Day, Mr Song sat at the head table with the seven members of the Politburo Standing Committee. Two days earlier, Mr Song met 99 foreign experts in Beijing together with senior ministers and cadres such as Zou Jiahua, Luo Gan and Li Guixian. Mr Xou, Mr Luo and Mr Li all have conservative reputations.

Sources said Mr Song who was in charge of organisation and personnel matters from the mid-1980s to late 1992, still played a big role in this key arena. He had a major say in the just-released Central Committee resolution on propagating a new generation of "trustworthy" and socialism-loving cadres.

Mr Song's protege and successor as the Politburo member in charge of organisation, Hu Jintao, has also been active. Xinhua (the New China News Agency) last night cited an article by Mr Hu on the need for officials to stay close to the people. The article, which appeared in the latest issue of the journal China Youth, asked the

younger generation of cadres to emulate the party secretary of the city of Jinzhou, Zhang Mingqi, who lost his life fighting the floods in July.

"The lofty vocation of communists is to bring about the benefits of the masses and to struggle ceaselessly," Mr Hu wrote. The Politburo heavyweight also disputed the commonly held belief that "to expedite economic development, we can afford to be less strict about a clean government".

With the declining health of such hard-line party veterans as Chen Yun and Peng Zhen, Mr Song is seen as the leader of the powerful bloc of conservative elders. It is understood that Mr Song has given his blessing to the recent elevation of Shanghai mayor Huang Ju and Shanghai party boss Wu Bangguo to the Politburo and the Central Committee secretariat respectively. Mr Wu is expected to work closely with Mr Hu in enforcing party discipline and weeding out cadres deemed to have "bourgeois-liberal" tendencies.

Political observers said they were surprised by the low profile of former National People's Congress chairman Wan Li over the last fortnight. Mr Wan, a protege of Mr Deng, is a leader of the Communist Party's liberal wing and an elder chosen by the patriarch to oversee the succession. They said Mr Deng had a deep distrust of conservative elders.

Li Peng Addresses Commendation Meeting

OW3009140594 Beijing XINHUA Domestic Service in Chinese 1414 GMT 29 Sep 94

[Speech by Li Peng at the Second National Commendation Meeting on Nationality Unity and Progress held by the State Council on 29 September. "Make Constant Efforts To Promote Unity and Progress Among Nationalities While Carrying Out the Great Undertaking of Building Socialism With Chinese Characteristics"]

[FBIS Translated Text] Comrades:

The second national commendation meeting on nationality unity and progress is a grand meeting—held under the new situation of reform, opening up, and the modernization drive—to commend the advanced and promote the great unity of all nationalities. General Secretary Jiang Zemin just made an important speech. Now, I would like to extend, on behalf of the State Council, my warm congratulations to the exemplary units and individuals honored at today's meeting! I would also like to extend my high regards to all the people who have made contributions to the cause of national unity!

Our great motherland has traversed 45 years of glorious progress. Under the leadership of the CPC, our country has undergone historic changes and scored world-acknowledged achievements in the cause of national unity in the past 45 years. The PRC is a united socialist country founded jointly by people of all nationalities in which a new type of socialist relationship among the

nationalities has been consolidated and expanded. Following the founding of New China, and especially after China began reform and opening up to the outside world, ethnic groups and minority nationality regions have made great strides in social and economic development. Economic development has picked up speed and their gross domestic product [GDP] has grown at an annual average rate of 9.4 percent. Living standards for all ethnic groups have grown steadily, and the average life expectancy has improved markedly. In addition to economic development, rapid advances have also been made in science and technology, education, culture, physical education, health, and other undertakings among minority nationalities; valuable cultural legacies have been carried on; the ranks of ethnic cadres and professionals in all categories has grown steadily; and the level of all our people has risen. In the big family of the unified motherland, people of all nationalities treat each other as equals, live in amity, work in unity, and pool their efforts to jointly build a new socialist life. The great progress we have made in national unity demonstrates the absolute correctness of the party and state's policy on nationalities, and that the correct path with Chinese characteristics we have taken to solve nationality problems will become wider and wider. For the task of continuously advancing the great cause of building socialism with Chinese characteristics, the prosperity of the motherland, the common progress of all nationalities, and the rejuvenation of the Chinese nation, we must make unwavering efforts in promoting the cause of nationality unity and progress.

At present, both our country and ethnic regions are presented with a very good development opportunity. It is necessary to seize the opportunity, give play to advantages, and accelerate the pace of development in ethnic regions in the course of reform and opening up. With the deepening of reform and the establishment of a socialist market economic system, the development potential in ethnic regions will be given full play. Construction since the founding of the republic, particularly since China promoted the policy of reform and opening up, has enabled the state to build a relatively strong material base; and reform and opening up have enjoyed successful experiences which have provided ethnic regions with excellent conditions for development. The implementation of the omnidirectional opening up strategy in coastal, riverine, and border areas has enabled ethnic regions to better promote their economic development through opening themselves up to the outside world. A favorable international environment, particularly an excellent environment in neighboring countries, is very favorable for the development of ethnic regions. It is necessary to seize this historical opportunity, rise with force and spirit, be enterprising and innovative, and promote socio-economic development in ethnic regions. While ethnic regions are required to adapt their reform direction and general development goals to those of other regions in the nation, they may formulate their own development plans and reform measures by paying

attention to reality in their regions. Under a socialist market economic system, agricultural and dairy resources, energy, raw materials, tourism, and vast market potentials represent big advantages to ethnic regions. Bringing these advantages into play will greatly accelerate the development pace in ethnic regions.

China's present general economic pattern is like this: Although west China has large deposits of natural resources, productivity is relatively low; although productivity in east China is rather high, natural resources are not abundant enough; therefore, there exists a strong complementary nature in the economy between east and west China. Aggressively promoting regional economic cooperation and economic exchanges among all nationalities is an important policy in realizing the nation's coordinated economic development. As most minority people live in west China, strengthening east-west economic cooperation has major significance in the gradual elimination of the east-west gap; in contributing to the sustained, rapid, and healthy development of the national economy; achieving the goal of common prosperity for all nationalities; and to enhancing national unity. The state will actively promote regional economic and technological cooperation through adopting correct policies to promote coordinated economic development in various parts of the country. To realize development, ethnic regions must rely on their own efforts and carry out hard struggle. The state is also required to render them great support. Economically-developed regions are also urged to adopt various types of assistance to support ethnic regions' development. As the support rendered between regions in east China and those in ethnic regions in recent years has obtained excellent economic and social effects, there is a need to do an even better job in this area.

To realize all-around social progress, ethnic regions should, like other regions in the nation, attach importance to the building of spiritual civilization in addition to focusing on the task of carrying out economic construction. Economic development requires raising the quality of the populace and training of skilled people. Therefore, workable measures should be devised to effectively solve the problems of low school attendance rate, poor teaching conditions, low teaching staff level, and low educational quality in ethnic regions. As minority culture is also an important part of Chinese cultural heritage, we should energetically and continuously promote the development of minority culture and cultural exchanges among all nationalities, by persisting in the direction of serving the people and socialism; and by upholding the policy of letting a hundred flowers blossom and a hundred schools of thought contend. Effective measures should also be worked out to enhance propaganda work. It is necessary to promote the party's nationality policy, to spread the news of the great achievements that have been scored in the areas of reform and development in ethnic regions, to propagate advanced models and experience on national unity and

progress, and to encourage people of all nationalities to enthusiastically plunge themselves into the socialist modernization cause.

It is necessary to do help-the-poor work in areas inhabited by minority nationalities well. Limited by historic and natural conditions, people living in some of these areas have not yet completely solved the problem of providing adequate food and clothing. Governments at all levels should conscientiously carry out the state's "National Fortifications-Storming Plan for Supporting 80 Million Impoverished People Over the Next Seven Years" and treat the task as a key point of national help-the-poor work to help these areas eradicate poverty and become rich as soon as possible. More of the state's help-the-poor funds and work-relief programs should be used or carried out in desert and drought-stricken areas; in rigid-cold, rainy, and wet areas; and in stone-mountains and barren hills. It is necessary to adhere to the principle of focusing on developmental help-the-poor projects and strengthen the idea of eradicating poverty through self-reliance.

Active efforts should be made to promote scientific and technological undertakings in areas inhabited by minority nationalities; and to cultivate cadre, and professional and technical personnel of minority nationalities. In promoting economic development and nationality progress, we should make great efforts to develop scientific and technological undertakings. We should increase investment in scientific and technological projects in areas inhabited by minority nationalities, spread scientific knowledge, promote science and technology, and facilitate the integration of scientific and technological progress with economic development. To do nationality work better and meet the needs of modernization, we should strengthen the construction of ranks of cadres of minority nationalities and the training of professional and technical personnel. It is of particular importance to cultivate a large group of trans-century, fine, nationality cadres and construction personnel. We should adopt effective measures to promote the quality of minority nationality cadres. We should help them widen their vision and increase their abilities through various ways. Some preferential treatment should be given to those cadre and scientific and technological personnel who are from other places and work in nationality areas, and encourage them to make contributions to social and economic development as well as unity and progress in these areas.

It is of great significance to strengthen political power at the grass roots because they have to come into contact with the people. We should strengthen the construction of grass-roots political power in nationality areas through such measures as ideological education, organizational consolidation, and improvement of duties and functions. In this way, we can turn them into an organization that leads the masses to eradicate poverty and become better off by developing production, thus becoming a strong front for safeguarding national unity and the unification of the state.

Regional national autonomy is an important political system with Chinese characteristics. The promulgation and implementation of the Law on Regional National Autonomy of the PRC is a major step toward legalizing the system of regional national autonomy. At present, China has established 157 areas in which to carry out regional national autonomy. The population of minority nationalities that carry out regional national autonomy accounts for 75 percent of the total population of minority nationalities. More than 1,000 regional autonomous townships have also been established in areas inhabited by several nationalities. Insisting on and perfecting the system of regional national autonomy and bringing its advantages into full play is an important task for nationality work in the new period. It is necessary to follow Comrade Deng Xiaoping's requirement "to enable all nationalities to truly carry out regional national autonomy," to promote social and economic development in these areas, and facilitate unity and progress among all nationalities.

Chairman Mao Zedong said: "The unification of our country, the unity of our people, and the unity of our various nationalities—these are the basic guarantees of the sure triumph of our cause." Safeguarding the unification of the motherland and unity among nationalities is in the best interests of the Chinese nation. We must always hold aloft the brilliant banner of unification of the motherland and unity among nationalities. Great efforts should be made to step up education in Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. It is necessary to step up the education in the Marxist outlook on the nationalities question, the party's nationalities policies, and patriotism. It is particularly necessary to step up the education among leading cadre at all levels and among youngsters, so that the notion of "inseparability between the Han Nationalities and minority nationalities" will strike a firm root in the heart of the people of all nationalities. In order to safeguard and strengthen the great unity among all nationalities, we must correctly handle the contradictions between people of different nationalities. To deal with the contradictions caused by economic interest, cultural heritage, customs and habit, or religious belief between the people of different nationalities; we should handle them the same way as we handle contradictions among the people themselves; start from the desire for unity; do more thorough and meticulous ideological and educational work; make people learn righteousness through reasoning; and resolve the contradictions promptly to further strengthen unity among nationalities.

Governments at all levels should strengthen their leadership over the work of promoting unity and progress among nationalities. This work is an undertaking shared by people of all nationalities across the country. Governments at all levels should attach sufficient importance and pay sufficient attention to it, and conscientiously strengthen their leadership over it. We should comprehensively implement the party's nationalities policies in

light of the changing situation and local reality, and adopt realistic measures and steps to promote unity and progress among nationalities.

This meeting is a commendation meeting on nationality unity and progress. All the commended units and individuals have done very good work in promoting unity and progress among nationalities. I cordially hope that you will continue to exert yourselves to make even more outstanding achievements in this regard. At the same time, I hope that cadres and people of all nationalities across the country will learn from the exemplary deeds of these advanced units and individuals, and constantly promote unity and progress among nationalities while carrying out the great undertaking of building socialism with Chinese characteristics.

Comrades:

Our country is in an important historical period of development. To attain the grand objective of socialist modernization requires people of all nationalities to be united and work hard. At the same time, the objective has brought people of all nationalities together more closely. Historical experience tells us that economic development and social progress are the basis for further strengthening unity among nationalities, while unity and stability are the prerequisite to development and progress. Looking forward to the future, we are full of confidence in the bright future of our great motherland. Let us work with one heart and one mind under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and of the party's basic line, and under the leadership of the party Central Committee with Comrade Jiang Zemin at its core; constantly push forward the cause of unity and progress among nationalities; and strive for the rejuvenation of the Chinese nation.

Commentator Hails Nationality Solidarity Rally

HK0110042494 Beijing RENMIN RIBAO in Chinese
29 Sep 94 p 2

[Commentator's article: "Unity, Progress, and the Invigoration of China—Warmly Congratulating the Opening of the Second National Nationality Solidarity and Progress Commendation Rally"]

[FBIS Translated Text] The State Council's Second National Nationalities Solidarity and Progress Commendation Rally opened solemnly today in Beijing. Model nationality solidarity and progress units and individuals from 56 different ethnicities from across the country gathered in the capital of the great motherland, carrying with them their valuable experiences and the strong wish of all nationalities for solidarity and progress, to be inspected and commended by the party Central Committee and State Council and to hold consultations on the great cause of further developing nationality solidarity under the new situation. The meeting is highly significant and a landmark in China's nationality work.

Since the Third Plenary Session of the 11th CPC Central Committee, led by the CPC, nationalities held high the banner of nationality solidarity and progress, worked miracle after miracle, and won one victory after another. Rich natural resources were tapped, tunnels were driven through mountains, economic vitality stimulated, the face of hills and lakes changed, and people's livelihood improved. Of course, we have also seen that, constrained by heavy historical burdens, adverse natural conditions, and varied factors in real life, some minority nationalities have yet to get rid of poverty and nationality work still faces heavy burdens and a long road ahead.

At present, the pursuit of nationality solidarity and progress in China, like the country's modernization drive, is presented with a very good opportunity for development. The tremendous achievements scored by reform and opening up have further strengthened the cohesiveness of the Chinese nationals formed in the long process of history, providing a solid material base and positive experiences in minority nationality areas for further development. The socialist market economic system will expand exchanges and cooperation between nationalities to a greater extent and in a wider scope, vitalizing the nationality economies under the new economic mechanisms and speeding up their growth. We should judge the times and gauge the situation and continuously strive for new achievements in nationality solidarity and progress with creative work.

Economic development is the internal engine for social development. To promote solidarity and progress among nationalities the first, as well as the most fundamental, thing is that nationality areas must consistently uphold Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, seize opportunities, expand reformist measures, widen opening up, and let the nationality areas' superiority in natural resources play a full role in promoting healthy, sustained, and rapid economic development. The development of nationality areas requires nationalities there to work incessantly and struggle arduously, to develop a socialist market economic system, uphold and perfect nationalities policies, and create the essential conditions for the growth of nationality areas. Developed regions must, with brotherly care and concern, help the growth of nationality areas with economic and technical assistance and trade-to-trade support. Other sectors of society may offer ideas and assistance, which includes the economic momentum generated by large and medium enterprises located in nationality areas. As well as economic development, we must also vigorously develop science, technology, education, and culture in nationality areas to promote progress on all fronts. We believe that with a variety of cooperation, we shall achieve common prosperity and a great reinvigoration of the Chinese nationalities.

Solidarity and progress reinforce each other. We must study with great care the new situations and problems in nationality relations under the conditions of the socialist

market economic system, give play to positive factors, and overcome negative factors. We should launch Marxist and patriotic education in a lively manner to make the safeguarding of nationality solidarity a valued moral practice, make each citizen sincerely fulfill the noble mission of defending national unification and nationality solidarity, and enable socialist nationality relations to consolidate and develop continuously. We should promptly and properly handle contradictions among the nationality people and oppose, with a clear-cut stand, all actions harmful to nationality solidarity. In defending nationality solidarity and the stability in nationality areas, we will be providing a favorable social environment for the country's modernization drive and the nationalities' pursuit of progress.

Nationality solidarity is a cause that will invigorate and benefit our descendants; it requires the participation of hundreds of millions of people and the concern and support from sectors of society, especially a sense of importance and increased leadership from party and government departments at all levels. It is hoped that all wise and kind men concerned about the future and fate of the Chinese nationals will dedicate their talent and contribute to the solidarity and progress of nationalities and a great reinvigoration of this ancient civilized country.

Jiang Zemin Meets Living Buddha in Tiananmen Square

*OW0110163894 Beijing XINHUA in English 1541
GMT 1 Oct 94*

[FBIS Transcribed Text] Beijing, October 1 (XINHUA)—"I thank the central leadership for the attention shown to me," said the 17th Living Buddha Garmaba with a smile on his face when he shook hands with General Secretary Jiang Zemin on Tiananmen rostrum this evening during the National Day ceremony.

At about nine o'clock when the 100,000-people grand evening party was going on, General Secretary Jiang Zemin of the Chinese Communist Party's Central Committee, walked over to Garmaba to shake hands with him. Following the Tibetan tradition, the 10-year-old Living Buddha presented a white hada (a piece of silk) as a gift to Jiang Zemin, and Jiang presented one to him in return.

The Garmaba said, "The central government has paid special attention to my trip in Beijing, I have had a pleasant time and I heartily thank the central leadership."

Jiang Zemin said, "I hope the Living Buddha will study hard and grow up healthily, so that you can contribute to the economic and social development of Tibet."

Jiang also asked the Garmaba's teacher to train the young Garmaba into a patriotic Living Buddha with deep love for his religion.

Jiang gave his best wishes in the Tibetan language to the Garmaba, and the Garmaba put his palms together, saying "Long live the People's Republic of China!"

The young Garmaba, by the name of Chilaidoje, was born in Lhamdo township in Chamdo County in the eastern part of Tibet.

He was found to be the reincarnated child of the 16th Garmaba Living Buddha whose will defined the birthplace, names of parents and age of his successor.

He ascended the holy throne in the Tibet-based Curbo Monastery at a solemn ceremony in 1992 with the approval of the Religious Affairs Bureau of the State Council of China.

Central Government Presents Living Buddha With Gifts

*OW0210125694 Beijing XINHUA in English 1222
GMT 2 Oct 94*

[FBIS Transcribed Text] Beijing, October 2 (XINHUA)—China's central government today presented the 17th Living Buddha Garmaba, who is paying his first visit here, with precious gifts.

On behalf of the central government, Wang Zhaoguo, vice-chairman of the Chinese People's Political Consultative Conference, gave the ten-year-old Garmaba an agate bottle as a gift.

Wang, also the head of the United Front Work Department of the Central Committee of the Chinese Communist Party, presented the young Living Buddha and his followers nine bolts of satin, nine suits of Buddhist clothes and four suits of Tibetan clothes on behalf of the department.

The boy again received a jade incense burner and a jade bottle given by the Religious Affairs Bureau of the State Council.

Wang said that the central government cares much about the Living Buddha and it welcomes his taking part in the National Day celebrations.

"We wish you will acquire deeper understandings of China's reform and opening process, economic and social development as well as religious situations through your visit," Wang said, adding that he hoped the Garmaba to become a patriotic Living Buddha with deep love for his religion.

The Garmaba said he felt deeply grateful to the central government's kindness.

According to Chinese tradition, every reincarnated Living Buddha should be approved by the central government. The 17th Garmaba, the leader of the Gagyudpa or the White Sect of Lamaism, is the first reincarnated Living Buddha accepted by the Religious Affairs Bureau of the State Council after the founding of the People's Republic.

The reincarnation, as a basic rite of Lamaism to determine the holy successor of the religious leader, was first adopted by the Gagyudpa in the 12th century.

The rite prescribes that after the death of the leader of a sect, the lama's soul will enter a child's body for resurrection; and the child will be the new Living Buddha.

Governors of different dynasties thought highly of the rite and usually granted lawful status to the Living Buddhas.

In 1954, the 16th Garmaba was received in Beijing together with Bainqen and Dalai Lamas by late Chairman Mao Zedong and late Premier Zhou Enlai.

The 17th Garmaba ascended his holy throne in the Tibet-based Curbo Monastery in 1992. He is worshiped by tens of thousands of followers in more than 80 countries and regions worldwide.

Discipline Inspection Paper To Be Inaugurated

OW3009155194 Beijing XINHUA in English 1514
GMT 30 Sep 94

[FBIS Translated Text] Beijing, September 30 (XINHUA)—A new paper featuring discipline inspection and supervision will be inaugurated tomorrow in Beijing.

The newspaper, to publish two issues a week, is the official journal of the Central Commission for Discipline Inspection (CCDI) of the Communist Party of China (CPC) and the Ministry of Supervision.

Wei Jianxing, secretary of CCDI, says in a congratulatory message on the inaugural issue that he expects the paper help improve the party style and build a clean government and become an important front for anti-corruption.

On the first issue of the four-page paper is a long article entitled "Long Chimes the Warning Bell," which gives a review of the history of the construction of party style and a clean government as well as anti-corruption over the past 45 years.

Review of Progress in Party Building

OW3009125994 Beijing XINHUA Domestic Service in Chinese 2157 GMT 24 Sep 94

[FBIS Translated Text] Beijing, 25 Sep (XINHUA)—Since the Third Plenary Session of the 11th CPC Central Committee, grass-roots party organizations have given full play to their role as combat bastions, and the vast numbers of party members have given play to their role as exemplary vanguards leading the people to advance in a pioneering spirit; and through industry and thrift, bringing about profound and tremendous changes in China's social outlook.

According to a briefing of the Central Organization Department, under the new situation of reform, opening up, and developing a socialist market economy, the CPC

Central Committee with Comrade Jiang Zemin as the core has, pursuant to the requirements put forward by Comrade Deng Xiaoping that we must direct our energies to party building, given top priority to the strengthening of the construction of the party's grass-roots organizations and implemented a series of important measures in this regard.

By bringing their role into play, grass-roots party organizations in all trades and professions have ensured the smooth implementation of reform measures, and the accomplishment of economic construction and other tasks. Focusing on rural reforms and the development of the rural economy, grass-roots party organizations in rural areas have led the masses in shaking off poverty and setting out on the road to prosperity. They have made noticeable progress in implementing well-coordinated measures to strengthen village-level party organizations with the village party branch as the nucleus, and consolidated, by stages and in groups, backward village party branches. A number of advanced models—for example, the party committee in Liuzhaung Village, Xinxiang, Henan; the party branch of the Doudian Village, Fangshan, Beijing; the party committee of Huaxi Village, Jiangyin, Jiangsu—have led the masses onto the road of common prosperity and a new socialist countryside has emerged. Party organizations in enterprises have conscientiously implemented the Central Committee's three-sentence guideline: "Giving full rein to the role of party organizations in enterprises as the political nucleus, upholding and improving the factory director responsibility system, and relying on the working class heart and soul." While focusing on production, operations, and intensifying enterprise reform, they have devoted more efforts to party building; taken an active part in decisionmaking on major issues in enterprises; given their backing to factory directors to exercise their powers in accordance with the law; and encouraged and guided the broad masses of workers to take part in democratic management of enterprises; thereby fully mobilizing workers' initiative and giving full rein to their role as a political nucleus in intensifying enterprise reform and speeding up the transformation of operational mechanisms. A number of advanced party organizations in enterprises—including the party committee of the Daqing Oilfield Administration, the Yanshan Petrochemical Company, the Dongfeng Automobile Company, and the Guangzhou Steel Company—have created valuable experience in developing new approaches toward party building in enterprises. Moreover, there has also been noticeable strengthening in party building in institutes of higher learning. In pursuance of the requirements laid down by the Central Committee, party organizations in government departments at all levels have done a great deal of work and have a lot to their credit. Progress, in varying degrees, has also been made in party building in academies, research institutes, mass organizations, and urban neighborhoods.

In recent years, party organizations at all levels have done a good job in recruiting party members in a well-planned, well-guided, and selective manner. Party organizations in many localities and units that were once enfeebled are now gradually improving. There has also been marked improvement in the composition and structure of party membership. Statistics show that in the 10 years from 1983, party members with an education level of senior high school or higher increased from 7,308,000 to 20,653,000, an increase of 20 percentage points—from 17.8 to 38.2—as a proportion of the entire party membership. Visible progress has also been made in the methods and style of education of party members. As of the end of 1993, there were 95,000 grass-roots party schools across the country that served as the principal fronts for training party members and cadres. Audio-visual education for party members has also made big strides; a network that has begun to take shape is playing an increasingly important role in party education. Thanks to the attention paid by party organizations at all levels in strengthening the ranks of party members, they are playing an exemplary vanguard role on all fronts. A large number of exemplary party members—including Shi Laihe, Lu Guanqiu, Qian Xuesen, Bao Qifan, Zhang Yongjiang, Zhao Xuefang, Ye Qiaobo, Xu Honggang, and Zhang Mingqi—have emerged. According to statistics, party members account for over 80 percent of the advanced individuals in all trades and professions. As many as 88.1 percent of the recipients of the national "May 1 Labor Medal" in the past two years are party members.

A leading official of the Central Organization Department pointed out that in the 15 years after China began reform and opening up to the outside world, grass-roots party organizations on all fronts have, under the correct leadership of the CPC Central Committee, conscientiously implemented the party's basic line and carried out their work in an active, energetic, and creative manner. In promoting party building at the grass roots, they have made some initial progress in developing new methods and experience suited to the new situation and new tasks. The official said that in spite of the visible progress that has been made in strengthening grass-roots party organizations, there are still many problems crying out for solution in our march forward. This is particularly true because, as reform deepens and the economy develops, grass-roots party organizations will come face to face with many new situations and new problems. To properly solve these problems, party organizations at all levels must, under the unified plan and leadership of the CPC Central Committee, explore new ways and means to strengthen grass-roots party organizations under the new situation so that party building at the grass-roots level will be enhanced and improved from a higher starting point.

RENMIN RIBAO Views Deng on Overall Situation

HK0310064494 Beijing RENMIN RIBAO in Chinese
26 Sep 94 p 5

[“Seriously Studying Vol 3 of *Selected Works of Deng Xiaoping*” column by Yu Ning (0060 1337): “Studying Comrade Deng Xiaoping's View on Overall Situation”]

[FBIS Translated Text] The overall objective of the work of the whole party and the whole country this year, put forward by the CPC Central Committee, is to “grasp opportunities, deepen reforms, open up wider, promote development, and maintain stability.” The CPC Central Committee has also pointed out that the key to attaining the realization of this overall objective is to handle the relationship among reform, development, and stability appropriately.

It is not accidental that the CPC Central Committee has repeatedly and prominently emphasized the overall situation. In a new situation and before new tasks, only if the whole party and the whole country bring about a good atmosphere of taking the interests of the overall situation into account and jointly fulfilling our magnificent plan can we ensure the smooth realization of various tasks in reform, opening up, and socialist modernization. In the past year, the whole nation, the broad masses of cadres and people, have emphasized, thought about, and taken into account the overall situation and have achieved obvious results in this respect. This fully shows how important it is to establish and practice a correct outlook on the overall situation.

At present, seriously studying Comrade Deng Xiaoping's expositions concerning the issue of the overall situation in light of the reality in ideology and work is of great significance to strengthening party building, raising the level of leadership and the level of governing, realizing the overall objective of the work of the whole party and the whole country, and constantly winning new victories in the great cause of building socialism with Chinese characteristics.

That we must emphasize and take into account the overall situation in conducting revolution and carrying out construction is a consistent idea of Comrade Deng Xiaoping's. According to statistics, in the published *Selected Works of Deng Xiaoping*, there are more than 30 passages which directly expound the issue of the overall situation. The titles of some articles in the selected works even explicitly put forward the issue, for example, “We Should Have a Sense of the Overall Situation in Doing Local Financial Work” in the *Selected Works of Deng Xiaoping* (1938-1965), “The Whole Party Should Emphasize the Overall Situation and Develop the National Economy to a Higher Level” in the *Selected Works of Deng Xiaoping* (1975-1982), and “The Armed Forces Should Be Subordinate to the Overall Situation of the Construction of the Entire Country” in the Vol 3 of the *Selected Works of Deng Xiaoping*.

What is more important is that Comrade Deng Xiaoping always observes issues, analyzes issues, puts forward questions, and solves problems with the foresight and sagacity of a proletarian revolutionary and statesman and from a commanding height. Each viewpoint he has put forward, each policy decision he has made, each article he has published, and the theory of building socialism with Chinese characteristics he has founded

have proceeded without exception from China's overall situation and the world as a whole and are the results of carrying out scientific analyses on the overall situation in China and the world as a whole. In expounding the clear-cut revolutionary style of Comrade Deng Xiaoping, Comrade Jiang Zemin pointed out: "He is farsighted and broad-minded and is good at observing and handling issues in light of the overall situation. He always demands that senior party cadres have their eyes on the overall situation, take the interests of the whole into account, and proceed from the interests of the overall situation." It is entirely reasonable for us to say Comrade Deng Xiaoping has set a brilliant example, both in theory and in practice, for all party comrades of paying attention to the overall situation, thoroughly understanding the overall situation, controlling the overall situation, and pushing forward the overall situation.

Comrade Xiaoping's outlook on the overall situation has rich contents, which can be summed up in the following six aspects:

I. Communist Party Members Should Have a Sense, a Concept, and a Strategic Foresight of the Overall Situation.

During the years of the revolutionary war, Comrade Xiaoping often exhorted our comrades to have a sense of the overall situation. In his article "The Guiding Principle, Missions, and the Orientation of the Endeavors of the Cultural Work of the 129th Division" written as long ago as May 1941, Comrade Xiaoping had already clearly pointed out: "We should all have the overall situation in mind." After that, he emphasized on many occasions the necessity of having a sense of the overall situation. Since the beginning of reform and opening up, he has repeatedly reminded all party comrades to "look at issues from the angle of the overall situation," and "have our eyes on the far future and the overall situation."

Comrade Xiaoping holds that to look at issues from the angle of the overall situation means to look at issues from a strategic angle and from a political angle. He once criticized some comrades for immersing themselves in concrete affairs and for being indifferent to political trends. He reminded leading cadres at various levels on many occasions to not get bogged down in vulgar routinism and of the necessity to study theories, clarify the orientation, and grasp the overall situation.

Comrade Xiaoping believes that the overall situation should be frequently publicized. Not just leading cadres should understand the overall situation; ordinary cadres and the masses of people should also understand the overall situation. This is very necessary for mobilizing the broad masses of cadres and people into making concerted efforts to implement the party's policies and principles and to fulfill the tasks put forward by the party. In the article "We Should Have a Sense of the Overall Situation in Doing Local Financial Work," written on 25 January 1954, Comrade Xiaoping wrote the following: "Chairman Mao once pointed out that our

party always attaches importance to strategy. All fighters and cooks of the armed forces are concerned with strategy. Once the strategic situation is made clear, things can be handled easily. What Chairman Mao said is correct. For example, once we publicize the strategic issue and the issue of the overall situation, the grain procurement issue can be resolved." Therefore, it is quite necessary to carry out regular publicity about the overall situation or the strategic situation in light of changes in the situation and the ideological reality of the people.

When Comrade Xiaoping expounded the issue of the overall situation in different periods and on different occasions, the meaning of the overall situation sometimes varied slightly. Generally speaking, it contains four aspects: First, it means the general situation of the revolution, reform, and construction. Second, it means the overall interests and the fundamental interests of the whole party and the people of the whole country. Third, it means the general goal and general task of our struggle. Fourth, it means the basic line, basic policies, and basic principles formulated by the party for attaining the goal of struggle. Of course, these four aspects are closely related and cannot be separated. Its basic spirit is to demand that in thinking about issues and handling affairs, we should not look at the issues only from the angle of our own locality, department, or unit; should not look at issues only from the angle of the immediate, narrow and limited interests; but should look at issues from the overall situation and the long-term interests.

II. It Is Necessary To Scientifically Analyze and Assess the Overall Situation

Whether or not the overall situation is good and whether or not the circumstances are good cannot be assessed just from the local situation or local interests. Nor can they be assessed from the reflections of a small number of people. Comrade Xiaoping holds that they should be assessed from the height of the overall strategic situation and from the interests of the majority of people. After the troops advanced into Dabie Shan from a thousand li away by leaps and bounds during the War of Liberation, in view of the pessimistic mood among a small number of comrades, he sharply pointed out: "Some of our Communist Party members lacked the ways of thinking of Marxism-Leninism. When they saw a small cloud above their heads, they thought the whole country was covered with clouds. If we look at issues by intuition and if we assess the victory or failure of the revolution by whether or not there is a cloud above our heads, we can only feel pessimistic and disappointed." Speaking about the assessment of whether our policies are correct or wrong and on the extent of their correctness or incorrectness, Comrade Xiaoping pointed out: "We should frequently take 90 percent as the standard and see whether or not they represent the interests of 90 percent of the people and whether or not they are supported by the people."

III. Basic Principles for Correctly Handling the Relationship Between the Overall Situation and the Partial Situation

Comrade Xiaoping holds that both in revolution and construction, all our work may involve the relationship between the overall situation and the partial situation, between the central administration and localities, and between centralization and unity on the one hand and suiting measures to local conditions on the other. The general guiding ideology for appropriately handling such a relationship, under the guidance of materialist dialectics, is to "take the overall situation into account and proceed from reality; neither of the two viewpoints is dispensable."

Comrade Xiaoping pointed out: "Neither the whole nor the parts are dispensable. The whole is formed by the parts. If the whole has no parts, it is not the whole. On the other hand, which should be dominant, the whole or the parts, the central administration or localities, and, centralization and unity or suiting measures to local conditions? If we regard the parts, localities, and suiting measures to local conditions as dominant, we shall make a mistake of principle. We must regard the central government, the whole, centralization, and unity as dominant."

Regarding how to handle the relationship between the central administration and localities and between the overall situation and the partial situation, Comrade Xiaoping put forward three principles: First, comrades working in the central administration should often give consideration to partial interests and localities. They should suit measures to local conditions and pay attention to difficulties in local work. They should, if possible, fervently solve whatever difficult problems are put forward by localities. If such problems cannot be solved, they should make clear explanations. Second, as far as localities are concerned, they should give consideration to the whole, to the central administration, and to centralization and unity and should regard the central administration as the main body. Third, if contradictions occur between localities and the central administration, between the parts and the whole, or between suiting measures to local conditions on the one hand and centralization and unity on the other, localities should be subordinate to the central administration, the parts to the whole, and suiting measures to local conditions to centralization and unity. Practicing localism, selfish departmentalism, or mountain-stronghold mentality is not permitted.

IV. The Handling of All Matters Should Be Conducive to the Overall Situation and Minor Principles Should Be Subordinate to Major Principles

The high principle and superb political wisdom and art of Comrade Xiaoping's expositions in this respect are especially worthy of our carefully studying, understanding, and mastering.

Around the time of the Third Plenary Session of the 11th CPC Central Committee, the problems left behind by the "Great Cultural Revolution" were numerous. It was extremely difficult to properly solve such problems. Comrade Xiaoping put forward the policy of "emancipating the mind, seeking truth from facts, uniting ourselves as one, and looking forward." He pointed out: "Problems left behind from the past should be properly solved. It is not good if they are not solved and if comrades who have made mistakes do not make self-criticism or are not punished appropriately. However, it is impossible to solve the problems in a very satisfactory manner and we should not have such a demand. We should have our eyes on major matters and should not go into details. It is impossible and unnecessary to clarify every detail." He repeatedly emphasized that we should have a correct appraisal of Comrade Mao Zedong and Mao Zedong Thought. "The appraisal of Comrade Zedong and the expositions of Mao Zedong Thought do not merely involve the individual issue of Comrade Mao Zedong and they cannot be separated from the entire history of our party and our country. We should be able to see this overall situation." He pointed out: "Comrade Mao Zedong is not an isolated individual. He was the leader of our party till he died. Regarding the mistakes by Comrade Mao Zedong, we should not write beyond the limit. If we do and if we throw mud at Comrade Mao Zedong, we are throwing mud at our party and our country. This will go against historical facts." "If we do not write about or do not uphold Mao Zedong Thought, we shall make a big historical mistake."

For a period of time, the issue of democracy was a popular topic of discussion among many people, particularly among young comrades. How should we look at this issue? Comrade Xiaoping pointed out: "The democracy needed by the people of China today can only be socialist democracy or democracy called people's democracy, not the individualist democracy of the bourgeoisie. People's democracy cannot be separated from dictatorship over the enemies and cannot be separated from centralization on the basis of democracy." Therefore, in publicizing democracy, we must strictly distinguish socialist democracy from bourgeois democracy and individualist democracy. We must integrate democracy for the people with dictatorship over the enemies and must integrate democracy with centralization, the legal system, discipline, and the party's leadership. In the final analysis, in the socialist system, individual interests and collective interests, partial interests and the interests of the whole, and temporary interests and long-term interests are in unity. Therefore, "individual interests should be subordinate to collective interests, partial interests should be subordinate to interests of the whole, and temporary interests should be subordinate to long-term interests or, as we say, the minor situation should be subordinate to the overall situation and minor principles should be subordinate to major principles."

Comrade Xiaoping specially and emphatically pointed out: "Governing the country is a major principle which

is on top of many minor principles. Minor principles may be reasonable but they will not do without major principles."

V. Only by Firmly Grasping the Party's General Line and Basic Line Will it Be Possible To Correctly Understand the Overall Situation and To Consciously Subordinate to the Overall Situation

As early as 1954, Comrade Xiaoping said: "As long as we look at issues in the brilliant light of the general line, we can easily realize the significance of the interests of the whole and of centralization and unity and will be good at subordinating localities to central administration and subordinating partial interests to interests of the whole." He particularly emphasized the necessity of using the party's line, principles, and policies to seek unity in ideology. He said: "Regarding centralization and unity, the most important thing is unity in ideology. Only if there is unity in ideology can there be unity in action."

In the new historical period, Comrade Xiaoping repeatedly admonished us to firmly grasp the party's basic line of "one center and two basic points." He said: "The 13th CPC National Congress fixed the strategic overall arrangement of 'one center and two basic points.' We already put this forward 10 years ago and the 13th CPC National Congress generalized it in this way. We must uphold this strategic overall arrangement and must never change it." "Develop the economy first and all other things can be dealt with easily. At present, we must brace ourselves to develop the economy. This is the overall situation and everything else should be subordinate to this overall situation." He also pointed out the necessity to carry out modernization to make China prosperous. First, we must implement the reform and opening up policy. Second, we must uphold the four cardinal principles. These two basic points are interdependent.

VI. Leading Cadres Should Become Models in Taking the Overall Situation Into Account

Comrade Xiaoping holds that whether or not the party spirit of a Communist Party member is strong is prominently shown in whether or not he will take the overall situation into account whenever anything crops up. He demands that party cadres, particularly senior leading cadres, should become models in taking the overall situation into account. He said: "We should advocate taking the overall situation into account. Some things are workable as viewed from the partial situation but not from the overall situation. Other things are not workable as viewed from the partial situation but are from the overall situation. In the final analysis, we must take the overall situation into account." "All our comrades in the Political Bureau, the Political Bureau Standing Committee, and the Secretariat, are people in charge of major matters. In considering any issue, we must have our eyes on the long-term future and on the overall situation. Many minor situations must be subordinated to the overall situation. This is the crucial thing about the issue."

He holds that taking the overall situation into account and subordination to the overall situation should not be confined to words but must be expressed in action. One is to obey orders in all our actions. The other is to consciously observe discipline and the practice that "the higher authorities have policies, the localities have their countermeasures" is not permitted.

Comrade Xiaoping has specially praised our armed forces for their good tradition and work style of taking the overall situation into account and obeying orders. In the new historical period, Comrade Xiaoping has on many occasions given the instruction: "The armed forces must subordinate themselves to the overall situation of the construction of the entire country." "They must closely coordinate with this overall situation and must act in accordance with this overall situation."

On more than one occasion Comrade Xiaoping mentioned how the Second Field Army advanced from a thousand li away into Dabie Shan by leaps and bounds during the War of Liberation and how it courageously shouldered heavy tasks in the past. He particularly spoke highly of the exemplary conduct and nobility of character of Comrade Liu Bocheng. He said: "In the second year of the War of Liberation, the Central Committee decided to send the 100,000 troops in Shanxi, Hebei, Shandong, and Henan to Dabie Shan in order to extend the war to areas under the rule of the Kuomintang. This was a very arduous and dangerous strategic task of fighting without rear areas. At that time, some cadres had misgivings in fulfilling the task. Bocheng told them the move would draw the enemy to them and would reduce the pressure on fraternal field armies. In taking away the firewood from under the cauldron, how could we be afraid of getting our hands burnt? Even if we had to make sacrifices, we were duty bound not to turn back. This attitude of Bocheng can be called a typical example of implementing various decisions of the party and the strategic policy of the Central Committee." "The strong party spirit of Comrade Bocheng was prominently expressed in proceeding from the overall situation of the party in considering issues and in taking the overall situation into account and subordination to the overall situation whenever anything cropped up. For the sake of the overall interests of the party, he never hesitated to sacrifice individual and partial interests. He always undertook the most arduous and most dangerous tasks on his own initiative and worked conscientiously to overcome all difficulties to fulfill them."

We can say that among proletarian revolutionaries of the older generation, there are many people and deeds of taking the overall situation into account and subordination to the overall situation as did Marshal Liu. This is precisely one of the important reasons why our party and our Army were all-conquering and invincible in revolutionary wars. Today, under the new historical conditions, we are following the teaching of Comrade Deng Xiaoping and are making great efforts to inherit and carry forward the fine tradition and work style of taking

the overall situation into account and subordinating to the overall situation. We will certainly be able to overcome all difficulties in our new journey and speed up the process of reform, opening up, and socialist modernization.

XINHUA Replaces Deng Xiaoping Photo Show Item

OW0110101594 Beijing XINHUA Domestic Service in Chinese 0912 GMT 22 Sep 94

[By reporter Sun Benyao (1327 2609 1031): "A Vivid Teaching Material for Patriotism Education—Sidelights on an Exhibition of Large Photos of Deng Xiaoping"; Beijing XINHUA Domestic Service in Chinese at 1421 GMT on 22 September transmits a service message replacing the following item]

[FBIS Translated Text] Beijing, 22 Sep (XINHUA)—An exhibition of large photos of Deng Xiaoping opened at the Museum of the Chinese Revolution [MCR] on 10 September. It was a celebration of the forthcoming 45th anniversary of the founding of the PRC and, above all, offered a profound education in patriotism to all Chinese people.

The nearly 400 valuable photos displayed at the exhibition record Deng Xiaoping's work and life in the past and present; show his revolutionary career in the periods of democratic revolution, socialist revolution, and socialist construction; and highlight the important contributions he has made to China's liberation and socialist construction.

For days on end cadres, workers, peasants, People's Liberation Army [PLA] servicemen, students, and foreign friends in the capital and from every other locality in the country came in an endless stream to the MCR's central hall to visit the exhibition every day. Each and every valuable, historical scene of Deng Xiaoping strongly attracted vast audiences and his great thought and revolutionary spirit demonstrated by the exhibition served as a profound education for them.

The Image of a Patriotic Hero Commands Reverence

When Deng Xiaoping was 16, he traveled far away across the sea to study under a work-study program in France in search of a truth for saving the country and the people, thus beginning his revolutionary career. Later, he returned home and, together with other revolutionaries of the older generation, fought North and South until the Jiang dynasty was overthrown. In the periods of socialist revolution and construction, he surmounted all sorts of difficulties and withstood grim trials to explore a road for building socialism, thereby making important contributions. Just as he said, "I am a son of the Chinese people and I deeply love my motherland and its people." The image of Deng Xiaoping as a patriotic hero aroused admiration among the vast numbers of audiences and was deeply educational for them.

Many audiences paused for a long time in front of a photo which Deng Xiaoping had given to Liu Pujing at Lyons, France, in May 1925. Some students of the 1st class of 11th graders of Middle School No. 173 of Beijing, including Chen Ling, said: Looking at the photos, we feel Grandpa Deng is amiable and venerable. At our age, he began searching for a truth to save the country and the people. But what are we doing now? Of course, times have changed. We should apply ourselves to study and make contributions to the realization of the country's socialist modernization in the future.

Chu Yuming, director of Workshop No. 2 of the 218th Factory of Beijing, said: "Immediately upon learning from newspapers about the opening of an exhibition of large photos of Deng Xiaoping, we organized all the party members of the party branch at the workshop to visit the exhibition. It shows once again Deng Xiaoping's great service and contributions to China's revolution and construction, as well as his patriotic image, and serves as a vivid and profound education in patriotism to us. Patriotism is the motive force that arouses the enthusiasm of the broad masses of staff and workers for socialist modernization."

Lu Bicheng, member of the Communist Youth League [CYL] Committee at the China National Electronic Equipment Corp., and Li Mou, member of the CYL Committee at the Tianjin Municipal Technical School, believed that youths are not familiar with Comrade Deng Xiaoping's past. After visiting the exhibition, Comrade Xiaoping's image as a patriotic hero left a deep impression on us. It is very necessary to conduct education in patriotism among the vast numbers of audiences and particularly among youngsters. Deep love for the motherland and the people is a minimum requirement for every youth.

In the morning of 16 September, after visiting the exhibition, Han Hongming of the Heilongjiang Provincial Military District's sanatorium for retired cadres, said to a reporter: "Comrade Deng Xiaoping dedicated himself to revolution when he was still young. In his declining years, he is still constantly concerned about important state affairs and tries to think of ways to successfully build the country wherever possible. He really commands our respect. China will surely be able to realize its socialist modernization under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Deng Xiaoping is a glory to the motherland and a source of happiness to the people." After a pause, he said: "Not only we, but our succeeding generations must study Comrade Xiaoping's thought. My son works in Beijing. I am going to take my grandson to visit the exhibition on Sunday."

One frequently saw grandfathers, grandmothers, fathers, and mothers taking their little ones to visit the exhibition of Deng Xiaoping's photos. Through each and every historical scene, they introduced Comrade Xiaoping's revolutionary career and glorious achievements to their

children. Many parents read to their children in a subdued tone the inscription written by Comrade Xiaoping in 1963 for the *Memoirs of the Revolution in Guangxi*: "Educate our succeeding generations in the revolutionary deeds: Always be a revolutionary, a socialist who serves the collective undertaking of the masses of the people, and a communist like the older generation and martyrs who have gone before us." Chen Qixing, who works at the project quality supervision and test center of Chaoyang City, Liaoning Province, took his grandson, 7, to visit the exhibition of Deng Xiaoping's photos during his spare time on a business trip to Beijing. He said: "Comrade Xiaoping is our respected and beloved leader. I want to let our children and grandchildren understand and study his sublime thought of wholehearted devotion to the country and the people since their childhood."

His Revolutionary Spirit of Dedicating Himself to the Motherland Is Deeply Touching

The photo exhibition showed the image of Deng Xiaoping as a patriotic hero and, furthermore, reflected his revolutionary spirit of dedicating himself to the motherland.

After having visited the exhibition, Liu Dongxiao, political commissar of Unit No. 89920 of the PLA, said to a reporter: "Comrade Xiaoping's revolutionary career also reflects the Chinese people's course of revolution and construction. He fears no difficulties, bloodshed, or sacrifices for the sake of the interests of the motherland and the people. It deserves to be emulated by every one of us. We want to let cadres and fighters visit the exhibition and receive an education in patriotism."

After having visited the exhibition, Zewang Zhaxi and Luorang Zhaxi, cadres of the Lhasa Foreign Trade Company in Tibet, said with deep feeling: We visited the exhibition and learned about Deng Xiaoping's revolutionary career. We were very touched by his revolutionary spirit of dedicating himself to the motherland and the people. Without the CPC and such proletarian revolutionaries as Deng Xiaoping, there could be no New China or the kind of life that we have today. This is something that all the Chinese people and, in particular, the Tibetan people, will always remember.

Li Guibin, a physically handicapped person from Jiguan District of Jixi City, Heilongjiang Province, arrived at Beijing on 17 September. Shortly after attending the national flag-raising ceremony on Tiananmen Square early on the morning of 18 September, he came to the MCR to visit the exhibition of Deng Xiaoping's photos. Li Guibin, 28, has only one leg. He walked with difficulty on crutches to the gate of the MCR. Service personnel let him in without asking him to present an admission ticket when they learned he wanted to visit the exhibition. He took a careful look at every photo of Comrade Xiaoping and, from time to time, appeared agitated. He was exhausted, with beads of perspiration appearing on his

head. After he had carefully looked at all the nearly 400 valuable photos, he said: "After looking at the photos on display, I feel Comrade Xiaoping is really great. Being physically handicapped, I have encountered a number of difficulties in my life and feel very distressed sometimes. But compared with the difficulties encountered by Comrade Xiaoping during the revolution, they are truly very insignificant. With his revolutionary spirit of dedication to the motherland, he could surmount whatever difficulties that cropped up. When a man deeply loves his motherland and is determined to dedicate himself to it, he can create a miracle."

In the exhibition hall, Eugene Emerson, a Canadian friend who is presently studying the Chinese language at the Chinese Language Education Center of the People's University of China, said to a reporter: "After taking a look at the photos on display here, I feel Mr. Deng Xiaoping is really a wonderful, great figure. His experiences, like those of China's revolution and construction, were sometimes smooth and sometimes frustrating. It has been extremely difficult for him to achieve what he has achieved to date. However, he has a great spirit of dedicating himself to his motherland and can triumph over all sorts of difficulties. Deng Xiaoping has brought about very great changes in China. His thought and spirit are educational not only for the Chinese people, but all the people in the world."

Hu Dezhong, deputy head of Baiyun Township in Chishui City, Guizhou Province, said: "Among the items on display is an inscription written by Comrade Xiaoping on 1 October 1949. It reads: 'Always bear in mind that the people's heroes scored today's victory at the cost of their own blood in the protracted hard times that have passed.' After reading it, I feel profoundly educated. Chishui City, in which we live, was a place traversed by the Red Army in its long march. The liberation of the nation and all its nationalities and the achievements scored in construction today were made possible by revolutionaries of the older generation at the cost of their bloodshed and sacrifices. We must, first of all, carry forward the revolutionary spirit—dedicate oneself to the motherland—of revolutionaries of the older generation. Only thus can we develop our socialist modernization."

After visiting the exhibition, Cheng Yao and Zhao Liang, students of Middle School No. 56 of Beijing, believed that Grandpa Deng Xiaoping's dedicating all that he has to the motherland and the people is the rarest virtue in life. They expressed that they would surely not fail to live up to his expectations and that they would study hard and make contributions to China's socialist modernization in the future to enable a prosperous and powerful Chinese nation to always stand like a giant among the multitude of nations in the world.

His Brilliant Accomplishments in Revitalizing China Inspire People To Press Forward

The photo show gives prominence to the new period which Comrade Deng Xiaoping inaugurated—as the

core of the second-generation central leading collective and the chief architect of reform, opening up, and modernization—with his extraordinary political and theoretical courage following the Third Plenary Session of the 11th CPC Central Committee. Associating the basic Marxist principles with China's actual situation, he has enriched and developed Marxism and Mao Zedong Thought under the new historical conditions, and created and successfully put into practice the theory of building socialism with Chinese characteristics. His significant, historic contributions have attracted worldwide attention.

On the morning of 15 September, this reporter saw two blonde ladies who were fully absorbed in examining each and every picture of Comrade Deng Xiaoping. I learned from a conversation with them that they were mother and daughter, Ann and Paula Chimby, from Stockton, California. After arriving in Beijing on 14 September, they came to the photo exhibition early the next morning. Ann said: "This is a very good exhibition. Mr. Deng Xiaoping is indeed a great man. His lines, principles, and policies are correct. Great changes have taken place in China because of reform. China is an old civilization and now it is embarking on modernization. There are many places worth seeing. Unfortunately, not all American people can come to visit China. In addition to Beijing, we will also visit other parts of China. The American and Chinese people should be friends. There will be more American people coming to visit China to see its scenic spots and historical sites and China's great changes."

While scrutinizing the pictures on display, Ye Qiang and his wife, who came from Jiangcheng, a township in Jiangchuan County in Yunnan's Yuxi Prefecture, occasionally took some rare shots of Comrade Deng Xiaoping with their camera. Since they had never been in the capital, they made a special trip to Beijing after escorting their daughter from Yunnan to the Xuzhou Teacher Training College. The first thing they did after their arrival in Beijing was to visit the Deng Xiaoping photo show. Ye Qiang said: "We peasants support Comrade Deng Xiaoping from the bottom of our hearts. Since the adoption of the reform and opening up policy, the country has changed a lot. The changes in the countryside are even greater. No peasants in our township are hungry anymore. Our life is several times better than before reform. I think that as long as we work hard together and continue to follow the line we are now following, our country will have a bright future."

Du Zijun, a cadre of the Planning and Financial Department under the Ministry of Foreign Trade and Economic Cooperation, and Liu Cheng, a cadre of the Ministry of Internal Trade Commercial Information Center, said: We are deeply touched and inspired by the exhibition. Deng Xiaoping made remarkable contributions during the brilliant course of founding and building the People's Republic, but his even greater contributions lie in the creation of the theory of building socialism with Chinese

characteristics and his guidance to the whole party and the whole nation in inaugurating a new period marked by reform, opening up, and modernization, which have brought unprecedented prosperity to the country. We should work doubly hard so that we can inherit the cause of Comrade Deng Xiaoping and other revolutionaries of the older generation, and so that we can attain the goal of revitalizing China.

On 18 September, Lin Honglin, a student of the 1990 class of the Beijing University Technology and Physics Department, told this reporter at the exhibition hall: "As students of the senior class, we have lots to study. But we also wanted to visit the Deng Xiaoping Photo Exhibition, and so we came on Sunday. Comrade Xiaoping's contributions during the period of democratic revolution and the period of socialist revolution and construction are indelible. But we are most impressed by his great exploits in leading the whole party and people in the whole country to embark on reform, opening up, and modernization. China's accomplishments in its socialist modernization drive have attracted worldwide attention. Classmates in our department are studying very hard, and we all want to contribute our efforts to our country's modernization. Today, when our country is embarked on developing its socialist market economy, is the crucial time for all reform projects. We hope we will proceed firmly along the basic line characterized by one center and two basic points. In this way China's modernization drive will proceed rapidly and steadily and China will be revitalized in the not-too-distant future."

Some visitors were very agitated by a picture about Comrade Deng Xiaoping's inspection in southern China in early 1992. They said: The speeches which Comrade Xiaoping made during the inspection in southern China were great because they pushed China's socialist modernization cause a big step forward. Today, the third general central leading collective with Comrade Jiang Zemin as the core is leading the whole party and the people in the whole country to carry forward the cause and press forward. Guided by Deng Xiaoping's theory of building socialism with Chinese characteristics, we certainly can turn the grand blueprint of socialist modernization into reality as long as we make concerted efforts in upholding the party's basic line for 100 years without wavering.

The large photo exhibition is still continuing. More and more people are coming to visit the exhibition. Comrade Deng Xiaoping's great thinking and march forward proudly along the socialist road with Chinese characteristics.

Authorities Allegedly Fail To Report Yunnan Plane Crash

HK0210062294 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 2 Oct 94 p 6

[By Kieron Flynn]

[FBIS Transcribed Text] Chinese authorities broke international conventions by failing to report a major plane crash for two months.

The Sunday Morning Post has confirmed a report in the weekly aviation magazine Flight International that on July 20, a \$300 million Yunnan Airlines Boeing 737-400 was destroyed and an unknown number of its 136 passengers and eight crew injured when the plane overshot the runway at Kunming's Wujiaba Airport in Yunnan province. It is understood there were no deaths.

The 1992 model jet, landing in heavy rain, touched down more than 750 metres along the runway at about 250 kilometres per hour, 70 kph faster than recommended. The plane suffered massive structural damage when it hit an airport perimeter fence before sliding into muddy wasteland.

Investigators acting on behalf of Yunnan Airlines' British insurers arrived in Kunming two days after the crash but, when contacted in London last week, said they were prohibited from discussing the case. But an aviation industry source with access to details of the crash confirmed the plane had been written off and said the insurers—a Lloyds of London syndicate—had paid out US\$32 million (HK\$247 million) to the airline.

He believed salvage rights to the wreckage, which were likely to be worth more than \$5 million, had been waived by insurers and would pass by default to Yunnan Airlines.

The crash was not reported to ICAO, the international aircraft operators' association, despite China being a signatory to United Nations conventions which demand preliminary and complete reports on all commercial aircraft crashes be filed within a set timetable.

And the United States Federal Aviation Administration, which maintains a representative office in Beijing, received no notification of the accident, although it later confirmed details of the crash after making its own enquiries in Yunnan.

Officials of the Civil Aviation Administration of China and Yunnan Airlines refused to comment on the Kunming crash and senior managers of both organisations failed to return repeated calls about the accident.

A XINHUA [NEW CHINA NEWS AGENCY] spokesman said his organisation had no record of the crash but confirmed all aviation accidents should be reported to his office.

"It is very strange," he said. "We will have to look into why we have no information."

Yunnan Airlines also operates six 737-300s, predominantly linking Yunnan with the rest of China but also serving Singapore and Bangkok.

The Kunming crash came only six weeks after the Xian disaster on June 6 when a Russian-made Tupolev-154

crashed minutes after take-off, killing all 160 people on board. It was China's worst air crash, capping two years of aviation accidents which claimed 496 lives and renewed international criticism of the country's air safety record.

Church Leaders Fear Beijing Attempt To Control Activities

HK0110051994 Hong Kong SOUTH CHINA MORNING POST in English 1 Oct 94 p 7

[By Daniel Kwan]

[FBIS Transcribed Text] Religious authorities are pressing ahead with the implementation of two regulations on religious activities which many house church leaders fear are a means by the Government to exert control over their affairs. The two regulations which were signed into law by premier Li Peng in January, govern venues of religious activities and proselytising by foreigners.

An informed source said religious authorities in the regions were putting "serious" pressure on house churches to register.

However, most house church leaders remain unconvinced and in Shanghai, none of the more than 2,000 house churches has registered.

The registration campaign coincided with reports that a number of house church leaders have been arrested in recent months. One source said at least two evangelists were arrested in August in Anhui province. Police also raided a number of house churches in the southern Hainan province. Persecution was said to be most serious in Sichuan province where police reportedly confiscated Bibles from Christians and then sold them to make profits, a source said. The source also said a Western Christian was recently shown a document by the local authorities in Wuhan which said the authorities were becoming increasingly worried that more Christian peasants were mobilising to resist Government orders such as the collection of taxes and fees.

The conflicts between churches and the Government is particularly serious in provinces such as Liaoning, where visiting Christians said even members of official churches have run into trouble with religious authorities.

A spokesperson for Amity Foundation in Hong Kong, Claudia Olbau, said the new regulations—decrees 144 and 145—were not meant to discriminate against the house churches. She pointed out that there was no deadline for churches to register.

The Chinese Christian Council—China's official Protestant body—has stated that churches which do not register with the authorities will not be labelled as illegal as long as they stay within the law. She explained that no house churches in Shanghai had registered with the

authorities because the procedures governing registration were not ready. Ms Olbau said registration would take years to complete and most house churches in China should qualify for registration.

But a local Christian who has done extensive research on churches in China said although the regulations themselves did not discriminate against house churches, enforcement at the local level was problematic. "These two regulations could be open to abuse. In the countryside, laws often mean nothing to the local cadres," the source said.

Mainland Academic Says Party 'Eliminated' at Grass Roots

HK0110071794 Hong Kong HONGKONG STANDARD in English 1 Oct 94 p 6

[By Didi Tatlow]

[FBIS Transcribed Text] Massive involvement in the economy by China's government and army officials spells disaster for the Communist Party, a prominent mainland scholar has warned.

Political scientist X L Ding also claimed about 80 per cent of government officials in China were corrupt. And he warned that "corruption can lead to (economic) reform, but it can also lead to revolution", spurred by those who were shut out of the system of bribes and rewards.

Dr Ding warned yesterday that the massive commercial undertakings by government officials were "forming new structures of interest that are eroding party structures".

The commercialisation of the state and military bureaucracy was part and parcel of government inspired economic reform, he said. And the party, he said, is unable to halt this process because it lacks the resources to rebuild grassroots political structures.

Speaking at a luncheon organised by the Asia Society, Dr Ding said public affairs in many areas of China were now run by "big families, the mafia and private business".

"The party has been weakened and even eliminated at the grassroots," he said.

"The party is calling for more funding, but it won't be successful. There isn't the resources."

He said the state estimates it is losing up to 50 billion yuan (HK\$45.03 billion) in assets each year as corrupt officials divert profits—but the real figure is "two or three times higher".

Much of the cash is gleaned through exploitation of privileges to which they are legally entitled, such as access to land, transportation and energy resources. As an example, he cited the case of an official from Anhui province who informed his son that a plot of his work unit's land was earmarked for sale by the government to

a foreign company. The official then sold the land to his son, who sold it on to the foreign company at almost three times the price.

Dr Ding said that the average members of the state and party system were "angry about the conversion of state assets and corruption".

A government crackdown last year 1993 failed, he said, because officials responded by "going underground".

Article on Guaranteeing Central Authority

HK0310003094 Beijing RENMIN RIBAO in Chinese 23 Sep 94 p 5

[Article by Chen Shun-wu (7115 7311 2976): "On Guaranteeing Authority of Central Leading Body"]

[FBIS Translated Text] Building a prosperous, powerful, democratic, and modern socialist country with a high degree of civilization is the common hope of the Chinese nation. History and the current situation show that in order to realize modernization in such a large country with an enormous population and uneven development conditions as ours, it is absolutely necessary to establish and strengthen the authority of the central leading body. A series of important expositions in Vol 3 of *Selected Works of Deng Xiaoping* provide us with scientific theoretical grounds in this regard.

I.

More than 100 years ago, the founder of Marxism made a brilliant and profound exposition on the issue of authority: "We see that on the one hand, there is certain authority no matter how it is formed; on the other hand, there is deficit obedience. No matter what social organizations there are, these two things are indispensable under the material conditions of the production and circulation of goods." At the same time, he also pointed out: "We should note that the material conditions for production and circulation will inevitably become more complicated along with the development of modern industry and agriculture, and this tendency will also increase the scope of such authority. Therefore, it is ridiculous to regard the principle of authority as something absolutely bad and regard the principle of self-government as something absolutely good." Comrade Deng Xiaoping creatively carried forward and developed the scientific thesis of the founder of Marxism and gives more profound and more concrete scientific connotation to the concept of authority.

To build ours into a prosperous, powerful, democratic, socialist country with a high degree of civilization, we must strengthen the leading and nucleus position of the CPC. Ours is a country with vast territory, nearly 1.2 billion people of 56 nationalities, and comparatively backward economic and educational conditions. The political system in such a country must ensure the stable livelihood of 1.2 billion people, and this inevitably requires a powerful central government. The essence of

such a political system is to maintain the central leading status of the Communist Party in the nation's social and political life. Therefore, Comrade Deng Xiaoping profoundly pointed out: "The greatest democracy is to arouse people's initiative. As for what specific practice of democracy should be adopted, this should be determined by concrete conditions. In such a large country as China, if it is not led by the CPC, it would be very difficult to deal with many things. First of all, it would be difficult to solve the problem of feeding the entire population. Our reforms must not deviate from the course of socialism and must not get rid of the leadership of the Communist Party. These two points are interrelated and belong to the same issue." In 1980, according to the characteristics of the political structure in our country, Comrade Deng Xiaoping put forward the work methods of consolidating the central and leading position of the Communist Party. He said: "As for work methods, I think that major issues concerning policies and principles, including those handled by the State Council and the National People's Congress, should be brought by responsible cadres with party membership to the Standing Committee of the party's central leading body for discussion; and the decisions made after the discussions should then be implemented after consultations are made with various parties concerned." Comrade Xiaoping also repeatedly emphasized that in China, there are eight democratic parties. They are all parties participating in government and are not opposition parties. The relationship between the Communist Party and the democratic parties was formed in history. In the course of building socialist democratic politics with Chinese characteristics, we must adhere to the practice of multi-party cooperation and the political consultation system led by the Communist Party, and must not adopt a multi-party system and the parliamentary system of Western countries. The central and leading position of the CPC is the fundamental guarantee for China's stable social development.

To settle the problem of unevenness in socioeconomic development and to make comprehensive social progress, we cannot do without effective macrocontrol exercised by the central government. Since the Third Plenary Session of the 11th CPC Central Committee, our country has been carrying out a policy of encouraging some areas and some people to get rich ahead of others through hard work and legal business operations, and this has greatly aroused the enthusiasm of entire people for seeking common affluence and has greatly promoted comprehensive social development. However, this has also brought about some new contradictions and problems, which are prominently reflected in the widening gap between different areas and between individual incomes. Statistics show that in 1992, per-capita income in our country was 1,158 yuan; per-capita income in the eastern part of the country was 1,431 yuan, in the central part of the country it was 1,006 yuan, and in the western part of the country it was 965 yuan. That is, the per capita income in the eastern part of the country is 16.7 percent higher than the national average, while those in the

central and western parts are 13.1 percent and 16.7 percent lower than the national average. In 1993, the national industrial added value increased by 21.1 percent; the rates of increase in the six provinces of Jiangsu, Zhejiang, Fujian, Shandong, Guangdong, and Hainan were all above 30 percent, but the rates recorded by most of the interior provinces and regions were less than 15 percent. Differences in individual incomes were even greater. In order to resolve these problems, it is necessary to rely on effective macro-control conducted by the central government. On this point, Comrade Xiaoping incisively and profoundly pointed out: "The coastal areas should quicken the pace of opening, and these broad areas with 200 million people should take the lead in rapidly developing and thus bring along the development of other areas. This is an important issue concerning the overall situation. The interior areas should understand this and give consideration to the overall interests of the nation. On the other hand, when the coastal areas have developed to a certain degree, they will be required to offer greater strength to support the development of the interior areas, and this is also an issue concerning the overall interests of the nation. At that time, the coastal areas should also meet the needs of the overall interests of the nation. If there is no central authority, this will not come true. Various localities will just go their own way, fight each other [hu xiang da jia 0062 4161 2092 2665], and set obstacles to each other, then, no coordination and cooperation can be effected. Who can maintain unity? The central authority. The central authority is precisely the party central leading body and the State Council." In particular, the economic structural reform in our country has now entered a stage of advancing across the board and dealing with the most difficult parts of the reform targets, and is facing more contradictions and problems. Without the authority of the central leading body, it is impossible to successfully carry out reform. Comrade Xiaoping pointed out: "The main point I want to say is that the central leading body must be of authority. Reform must be carried out in an orderly way under the leadership of the central authority if we want to make the reform successful. Without the authority of the party central leading body and the State Council, the situation will go out of control."

After the correct line is formulated, its implementation must be guaranteed by a strong authority. Comrade Xiaoping pointed out: "The correctly political line must rely on the guarantee of a correct organizational line." After the Third Plenary Session of the 11th CPC Central Committee, the party's second-generation central leading body with Comrade Deng Xiaoping as the core guided the party to establish the basic line of "one center, two basic points" and formulated a series of correct principles and policies. Under the guidance of the line, principles, and policies formulated after the Third Plenum, the comprehensive national strength of our nation moved up to a new stage, and tremendous changes occurred in our society. The Fourth Plenary Session of the 14th CPC Central Committee formed our

party's third-generation central leading body with Comrade Jiang Zemin as the core, and it continued to fully carry out the line, principles, and policies adopted after the Third Plenum and lead the people of our country to win new victories in the course of socialist modernization. It was fully affirmed by Comrade Xiaoping: "The current central leading body is doing an excellent job!" It has also won the wholehearted support of the whole party and the entire people. At present, the party's line, principles, and policies are completely correct. An important task for our nation is to further consolidate and strengthen the central authority in order to guarantee the implementation of principles and policies adopted by the party Central Committee and the State Council.

A central leading body of strong authority is also a successful experience of modernization in some other countries. The modernization of a backward country is sometimes a painful process of social transformation, and some disorderly phenomena will inevitably appear in society. In order to control disorderly social phenomena within endurable limits, it is necessary to establish and strengthen the central authority.

II.

In order to guarantee the central authority, we should now mainly make efforts in the following three aspects.

First, arming the whole party with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and bringing the thinking of the entire people of all nationalities into line with this theory. Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics is the latest result of the combination of Marxism with China's specific conditions, and is the theory of Marxism in contemporary China. Thought always guides action. Only when our minds are armed with the theory of building socialism with Chinese characteristics can we really establish the central authority and can the party hold a strong rallying force and fighting capacity. To establish central authority, we must comprehensively and systematically understand Comrade Xiaoping's profound and great theory and apply this theory to guiding our work in all fields. We must guard against formalism and onesidedness and must not treat this theory in a pragmatic way by quoting phrases out of context to justify one's improper behavior and purposes.

Second, maintaining the principle of democratic centralism and improving its implementation. The system of democratic centralism is a combination of centralism on the basis of democracy and democracy guided by centralism, and is also the application of the mass line in inner-party political life. The system of democratic centralism guarantees central authority, and this is a viewpoint Comrade Deng Xiaoping consistently upholds. In 1962 he pointed out explicitly: "Democratic centralism is the fundamental system of the party and the state, and is also our traditional system. We should maintain this

traditional system and should further improve its implementation. This is a task of great importance, because it concerns the destiny of our party and state." Only by conscientiously carrying out the principle of democratic centralism in the party can we fully arouse the whole party's initiative, rely on the wisdom of the whole party, and maintain the party's high degree of ideological and political unity and high degree organizational and action uniformity. **It is completely wrong to take the system of democratic centralism as something similar to administrative orders in a planned economy and to set the maintenance of democratic centralism against the development of a socialist market economy. Maintaining and improving the system of democratic centralism is an intrinsic requirement of the socialist market economic structure.** This is because it is necessary to give full play to democracy and thus fully arouse the initiative and creativity of the masses in order to make the market full of dynamism and to adapt economic operations to rapidly changing market conditions; it is also necessary for the state to exercise strong and effectively macroeconomic control and to exercise centralization appropriately in order to guarantee the healthy development of the market. **To maintain and improve the system of democratic centralism, we should, first of all, adhere to the ideological line of acting according to concrete conditions in reality and seeking truth from facts, adhere to the mass line of "from the masses to the masses," give full play to democracy, and guarantee the correctness of the line, principles, and policies.** This is the fundamental prerequisite for the establishment of central authority. At the same time, it is necessary to further consolidate and improve the systems and the rules and perfect the control mechanisms in order to guarantee the smooth relay and implementation of the instructions and orders of the central authorities and ensure the full implementation of the line. In our present political life, democracy is not enough, and centralism is not enough either. The insufficiency of democracy finds expression in the lack of scientific procedures in making policy decisions, and the making of policy is still rather haphazard. In some cases, policy decisions are even made very recklessly, and policymakers did not carefully listen to the opinions of the various quarters concerned. The insufficiency of centralism finds expression in the fact that some local authorities, departments, and institutions did not act according to the established regulations and policies, did not obey the instructions and orders issued by the central authorities, and did not stop doing what had been banned. At present, to carry out the system of democratic centralism, we must reiterate the principle that individuals must be subordinate to the organization, the minority must be subordinate to the majority, those at the lower level must be subordinate to the leading bodies at the upper level, and the entire membership of the party must be subordinate to the central leading body. We must ensure the implementation of this principle through some effective control mechanisms. **To maintain and improve the system of democratic centralism, we should also correctly approach relations between the**

central authorities and the local organizations. Comrade Deng Xiaoping pointed out: "In the process of macro-control, central instructions must be effectively put into practice. In past years, we took a correct course. It is now time to sum up our experience. If there was no decontrol step, would there have been the scale of economic development we see today? We mention central authority, macrocontrol, and in-depth comprehensive reforms in the context of the new conditions. In the past, our rigid control was based on and also led to a condition of poverty. Now, things are different, and our current macrocontrol leads to a condition of being comparatively well-off in the whole society. So we can no longer adopt the practice of the economically difficult period. At present, the central authorities only issue instructions on and exercise control over issues of crucial importance which concern the orientation of economic development." That is to say, the central authority we are now talking about, in essence, is based on the condition of giving full play to the initiative of the people at the grass-roots level and bringing their initiative into play to the maximum degree. If the central government has strong macrocontrol ability, then it will be able to guarantee the well-coordinated development of the whole nation. This will thus require the reasonable division of economic management powers between the central authorities and the local authorities. The system of corresponding powers and responsibilities for governments at various levels should be established so that the localities will have self-balancing, coordinating, and self-control mechanisms and will bear responsibility as they should do. It is necessary to correctly handle the relationship between the whole nation and the localities, and this should require all people to keep the overall interests of the whole nation in mind. Comrade Xiaoping pointed out: "Comrade Chen Yun said that there were too many local lords who did not make necessary decisions after endless discussions, did not carry out the decisions that had been made, and just went their own ways. His criticism is correct. No one is allowed to ignore the instructions of the party Central Committee and the State Council which are authoritative. In particular, in times of difficulty, problems cannot be solved without the authority of the party Central Committee and the State Council. With the existence of such authority, we shall be able to accomplish big things even in times of difficulty. The authority must not be denied. What should be centralized must be done in this way. Otherwise, we may at least waste time."

Third, it is necessary to establish a perfect system for macrocontrol. The establishment of a perfect macrocontrol system is an intrinsic requirement of the establishment of the socialist market economic system, and is also an indispensable prerequisite to the establishment and strengthening of the central authority. Both theory and practice show that the modern market economy is an economy regulated and controlled by the government, and there is no completely free economy in reality. This is because a market-regulated economy is inevitably

blind and spontaneous to a certain degree. At the same time, some aspects of socioeconomic activities cannot be adjusted and regulated merely by market forces. The market mechanism follows the game rule of keeping the good and eliminating the bad, and this makes it hard to balance economic efficiency and the fair distribution of wealth in human society. If everything is determined by free markets, it is impossible that social fairness and harmony can be brought about automatically, and it is also impossible to make comprehensive social progress. The exercise of macrocontrol will guarantee the normal operation of market mechanisms. The practice of developing market economies in foreign countries has also proved this point. At present, there are mainly three models of market economy in the world, namely, the free market economy model represented by the United States, which stresses completely free competition among enterprises and individuals with the government guaranteeing market competition by means of enacting laws and formulating policies; the social market economy model represented by Germany, in which the government conducts macrocontrol and maintains the market competition environment and social fairness; and the government-guided market economy model represented by Japan, in which the government plans overall economic development by formulating long-term and intermediate-term economic development plans and industrial policies. All these three models require government macrocontrol. Even in the United States, which practices a free market economy, the government still does not pursue a completely laissez-faire policy; instead, the government exercises strong and effective macrocontrol over aggregate economic quantities and certain industries. After Clinton took office, in order to reinvigorate the U.S. economy, the administration adopted policies that stressed state macrocontrol more obviously. In the early period of reform and opening in our country, economic structural reform was focused on devolving powers and leaving more financial resources in the hands of local governments and enterprises, and this was correct under those specific conditions, because this policy greatly aroused the initiative of grass-roots enterprises and emancipated and developed social productive forces. However, this policy also had its drawbacks, and the main problem was that it weakened central authority and brought about a situation unfavorable to the formation of an integrated national market and to the optimization of the distribution of social resources and the rationalization of the industrial structure across the whole nation. In order to guarantee the sustained, rapid, and healthy development of the national economy, the party Central Committee and the State Council have explicitly pointed out the need to further establish and perfect a macrocontrol system, and this is completely necessary. In such a large country as ours, the exercise of macrocontrol will enable us to concentrate our limited material and financial resources on major projects which can hardly be accomplished if we merely rely on the adjustment of market mechanisms. This will better balance economic efficiency and social

fairness and will better promote comprehensive social development and progress. At the same time, market growth in our country remains at a rather low level, and in the long process of market growth, the government macrocontrol is indispensable at all times. In order to perfect the macrocontrol system, the central authorities have adopted reform measures in the fields of financial management and taxation, banking, investment, planning, foreign exchange control, and foreign trade. Economic operations in the past eight months show that these reform measures are the sustained, rapid, and healthy development of our national economy and comprehensive social progress.

Article on Changes in Ethnic Minority Areas

OW0110104294 Beijing XINHUA Domestic Service in Chinese 0650 GMT 27 Sep 94

[FBIS Translated Text] Beijing, 27 Sep (XINHUA)—Great economic and social changes have taken place in China's sprawling minority areas as result of the state's generous support as well as the implementation of the reform and opening up policy over the past decade or so. Statistics show that autonomous regions' gross industrial and agricultural output in 1993 reached 417.5 billion yuan, which was 23.5 times that of 1949 and 2.7 times that of 1978. The living standards of all ethnic minority groups have also improved substantially. The per capita income of farmers and herdsmen rose to 696 yuan from some 70 yuan in 1978. Significant changes have also taken place in these autonomous regions' industrial infrastructures. The percentage of their industrial output increased from 66.3 percent of the gross industrial and agricultural output in 1993 from 14.8 percent in 1949.

Even more impressive than these gratifying figures is the fact that the mindset of people in ethnic minority areas has also undergone tremendous changes. Because of the great reform and opening up endeavor, they have discarded conventional concepts that had pervaded for several thousand years—that minority areas were poverty-stricken areas geographically and weak spots economically. Proceeding from their actual situations, minority areas have now taken advantage of their own features and geographical resources, and their economy is growing rapidly.

Because of the strategy which the state introduced in 1992 to open up remote frontier areas, Inner Mongolia, Ningxia, Xinjiang, Tibet, and Guangxi—the five minority autonomous regions—and Qinghai, Yunnan, and Guizhou where ethnic minorities live in compact communities, have now become frontal bastions opening up to the outside world instead of being secluded, remote regions as was the case for a long time before. Seizing the current opportunity, they have actively developed economic, technical, and cultural exchanges as well as extensive cooperation in the fields of tourism and export of labor services. These regions have so far established more than 100 border ports and freight processing corridors and dozens of border trade markets. Border trade

volume has been increasing over 100 percent annually on the average. In 1993 alone, the total imports and exports of these provinces and regions were close to \$20 billion, and the amount of foreign exchange earned from tourism reached hundreds of millions of U.S. dollars.

While opening up to the outside world, these provinces and regions have also increased the intensity of reform and opening up. The introduction of technology, capital, and personnel from coastal areas has expedited the establishment of socialist market mechanisms and quickened minority areas' merger with operations in the huge domestic and international markets.

The Inner Mongolia Autonomous Region has removed all controls over its livestock products markets and introduced market mechanisms into animal husbandry; consequently the region's livestock trade has been thriving and its returns from animal husbandry has increased noticeably. In 1993, the per capita income of the region's herdsmen reached 1,164 yuan, or an increase of 296 yuan over that of 1991 when controls over livestock products had yet to be removed. The increase can be largely attributed to more efficient distribution. Over the past two years, Inner Mongolia has established over 600 new country fair trade markets and the many wholesale markets established in major livestock product distribution centers are serving as avenues or bridges facilitating large-volume trade of livestock products in the market.

In Ningxia Hui Autonomous Region, the business-minded masses of Hui nationality have now walked out of their land-locked region and carried out diverse, omni-directional economic partnership and cooperation projects with other areas through all channels. During the last decade, Ningxia has signed more than 3,800 accords of economic partnership and cooperation projects with nearly 20 provinces, municipalities, and regions, and brought in 450 million yuan of outside capital. Because of the cooperation projects, the region has yielded an additional 248 million yuan of profits and taxes, and trained and exchanged 15,000 technicians in all fields. Today, 400,000 farmers, most of whom are of Hui nationality, have become businessmen, and their nationwide operations have significantly expedited Ningxia's economic development. In 1993, the volume of transactions in urban and rural markets reached 1.48 billion yuan, or 107 times higher than that of 1978.

To develop Xinjiang into an international and domestic market two years ago, the Xinjiang Uygur Autonomous Region drew up a strategy to take advantage of its geographical location and natural resources and, through developing trade, to promote industrial cooperation, commercial development, foreign trade, use of foreign capital, and establishment of ties with other parts of the country. As result of this strategy, Xinjiang has created 14 international commercial land ports and established business ties with seven neighboring countries. In these two short years, the region has achieved significant

breakthroughs in promoting foreign trade, economic and technical cooperation, and regional and border trade. Total imports and exports reached \$901 million last year, or 30 percent higher than the year before.

Thanks to the central government's preferential policies and energetic manpower, financial, and material support, the Tibet Autonomous Region's combined economic strength has increased noticeably. The region now has more than 280 modern power, metallurgical, and woolen textile enterprises. The region's commerce has thrived even more. Now the region has more than 40,000 independent business operators and the total retail sales of consumer goods in 1993 was 4.3 times higher than that of 1980, reaching 1.9 billion yuan. Tibet's economy has now been fully linked with the rest of the country, it is opening wider to the outside world, and its work of bringing in outside investment and establishing economic partnerships with other parts of the country is proceeding satisfactorily. Last year, the region signed accords to bring in 67.11 million yuan and \$9.63 million from the outside, and its total imports and exports reached \$103 million.

In 1992, the state decided to build the Guangxi Zhuang Autonomous Region into a region with corridors linking southwest China to the sea. Guangxi soon joined hands with Sichuan, Yunnan, Guizhou, and Tibet and established with them the new strategy of working together to promote reform and development so that Guangxi's accessibility to the sea can be used to expand economic cooperation and serve southwest China's development in Southeast Asia. Presently, with coastal Beihai, Qinzhou, and Fangcheng cities as centers, a preliminary pattern has taken shape for Guangxi's trade and development, and Guangxi has established trade relations with more than 100 countries and regions. The number of foreign investment projects approved, the amount of foreign capital contracted, and the actual amount of foreign capital used in 1993 exceeded the total in previous years, and the \$924 million of foreign capital used in 1993 doubled that of the year before, and the growth was the highest among all coastal provinces and regions.

As their reform and opening up endeavors continue to deepen and broaden, China's sprawling minority regions have gradually become fertile soil for the growth and development of the socialist market economy. All autonomous regions, autonomous prefectures, and autonomous counties inhabited by ethnic minorities are nurturing and developing their markets at home according to the needs in the development of the socialist market economy. Meanwhile, these areas are also making great efforts to build up their infrastructures—such as power supply, communications facilities, postal and telecommunications services, and raw material supply—so as to attract even more foreign investments. To broaden their world market, they are also making full use of the local trade, border trade, and other flexible forms to develop trade with neighboring countries and regions.

Hong Kong, Macao, Taiwan People Take National Lawyer Exam

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GMT 2 Oct 94

[FBIS Transcribed Text] Beijing, October 2 (XINHUA)—Three hundred and fifty nine people from Hong Kong, Macao and Taiwan for the first time sat in China's annual national lawyer's qualification test which opened today.

An official from the Ministry of Justice said that the question paper, exam regulations and grading methods for these examinees are exactly the same with those for examinees from other parts of the country.

More than 116,000 people of different professions across China were taking part in the exam at the same time in 310 cities to vie to become lawyers, a career which deserves a growing respect and admiration in the country, the official said.

He said that all those who pass the test would be conferred China's lawyer qualification certificates.

The Ministry of Justice "is now discussing the administration of Hong Kong, Taiwan and Macao lawyers offices in China," he said.

Among those examinees, 343 are from Hong Kong, ten from Taiwan and six from Macao and about 140 are working in lawyer offices in these regions, according to the official.

The official said that admitting people from the three regions to the national lawyer qualification test is an important reform in China's judicial system.

Such an act is expected to strengthen exchanges and cooperation between lawyers from the three regions and from interior provinces and will help improve legal services for cultural and economic activities, experts believed.

The act would also help reshape China's lawyers system in line with international practices, the official said.

The current national bar exam for lawyers, the sixth since it started in 1986, has been the biggest in scale.

Most of the 116,000 examinees are from enterprises, government institutions and judicial departments. About 1,200 of them are from the armed forces.

The official said applicants for the examination this year are better educated and younger compared with those in previous ones.

University graduates and post graduates account for over 70 percent of the total. More than half of them are just in their 20s, said the ministry.

More than 350,000 people have taken part in the previous five test and about 60,000 obtained lawyer's qualification certificates issued by the ministry, according to the ministry.

Military**Chi Haotian, Zhao Qinan Reportedly Promoted Within CMC**

HK0210071294 Hong Kong LIEN HO PAO in Chinese
2 Oct 94 p 7

[Report: "Central Military Commission To Hold Enlarged Meeting by End of Year, Chi Haotian To Become First Vice Chairman"]

[FBIS Translated Text] In the wake of the Fourth Plenary Session of the 14th CPC Congress, the CPC is scheduled to call an enlarged session of the Central Military Commission [CMC] toward the end of this year, and there will be a great personnel reshuffle in the top echelons of the People's Liberation Army [PLA]. According to a well-informed source in Beijing, Liu Huaqing and Zhang Zhen, currently vice chairmen of the CMC, will retire, and the mainland's Minister of National Defense Chi Haotian will become the first vice chairman of the CMC. The most eye-catching change is that the post of CMC secretary general, vacant since the CPC 14th CPC Congress, will be filled, and it has been decided internally that General Zhao Nanqi, who is currently commandant of the PLA Academy of Military Sciences and a Central Committee member, will take that post.

The CMC secretary general is in charge of the PLA's everyday work and is responsible for the CMC leadership's liaison and communications with all of the services, military regions, and strategic units under the CMC; it is an important post with great power. Former secretary general Yang Baibing was removed from office after the 14th CPC Congress in 1992, and the CMC has left the office of secretary general vacant ever since.

The well-informed source indicated that state President Jiang Zemin, concurrently general secretary of the Central Committee and CMC chairman, has never been able to enjoy stable and firm authority within the Army. Jiang Zemin knows very well the truth of "political power grows out of the barrel of a gun"; such being the case, he is going all out to grasp military power. The "patriarch" Deng Xiaoping, who has personally promoted Jiang Zemin, must consolidate Jiang Zemin's place with the Army as quickly as possible during his lifetime, now that the collective leadership structure with "Jiang Zemin as its core" for the post-Deng period has been established, despite the fact that Deng has had some complaints against Jiang. The reason for the promotion of the two old soldiers Liu Huaqing and Zhang Zhen at that time was precisely because of their assistance to Jiang Zemin.

Chi Haotian, 66, the internally decided CMC vice chairman, is accommodating and has never offended any faction. As for the internally decided secretary general Zhao Nanqi, he is a figure acceptable to all sides as he is free of any factional coloring.

Zhao Nanqi, 68, currently commandant of the PLA Academy of Military Sciences, is of Korean nationality and began his military life in the Fourth Field Army. During the Korean war, he was head of the transportation division and later the planning division under the "Volunteers in the War To Resist U.S. Aggression and Aid Korea Logistics Headquarters," and was much appreciated by Hong Xuezhi, then volunteer deputy commander and concurrently logistics headquarters chief.

Liu Huaqing Inspects Shanxi Armed Police Detachment

HK0310110994 Beijing JIEFANGJUN BAO in Chinese
13 Sep 94 p 1

[By Song Rui (1345 3843) and special correspondent Bao Yuhuan (2552 3768 2037); "Central Military Commission Vice Chairman Liu Huaqing Inspects Shanxi Armed Police Corps"]

[FBIS Translated Text] Taiyuan, 12 Sep (JIEFANGJUN BAO)—Yesterday morning, Liu Huaqing, member of the Standing Committee of the CPC Central Committee and vice chairman of the Central Military Commission [CMC], inspected the Shanxi Armed Police Corps and examined the achievements of their duties and training.

At 1100 in the morning, CMC Vice Chairman Liu Huaqing came to the training site on the banks of the Fen He where he inspected the third detachment of the Shanxi Armed Police Corps. He greeted the officers and men in an tender manner, saying: "Comrades, you have worked so hard!" CMC Vice Chairman Liu Huaqing viewed with interest the troops' training exercises, such as emergency operations, tent pitching and breaking, building, climbing, techniques for capturing enemies, the use of batons, Qigong exercises, and field cooking. CMC Vice Chairman Liu Huaqing occasionally praised them on their good, tough martial arts. He asked Hou Xiaobao, political commissar of the Shanxi Armed Police Corps, about the troops' work, life, and studies and inquired in a concerned manner about whether or not there were enough pigs for their everyday needs, whether or not the vegetables they grew were enough for several months, and what standards had been set for their meals. He then came to a fire where he saw how the soldiers cooked their meals in the open air. He gladly took a big spoon from a soldier, and as he began to help himself to the food, he asked the officers and soldiers around him what life was like. This made them feel very good.

In a meeting with cadres at and above the regimental level of the armed police corps in Shanxi, retired old cadres, and cadres at and above the departmental level of the Shanxi Public Security Department, the CMC vice chairman delivered an important speech. He fully affirmed the contributions made by Shanxi's public security police and armed police to the maintenance of stability in Shanxi and said that this was inseparable

from the great attention paid by the provincial party committee to public security and to the work of the public security police and armed police. CMC Vice Chairman Liu Huaqing said: I feel that two things are good about Shanxi. It is good in public security and in the quality of its public security police and armed police. This detachment, in particular, completed its tasks in a very satisfactory manner last year. I hope that every one of you will keep up the good work and will continue to make great efforts in your work and make new contributions to the maintenance of social stability again.

During the inspection, the CMC vice chairman was accompanied by Air Force Commander Cao Shuangming, Beijing Military Region Commander Li Laizhu, and leading Shanxi comrades including provincial party secretary Hu Fuguo.

Li Zemin Addresses Zhejiang Military District Meeting

OW0310024294 Hangzhou ZHEJIANG RIBAO in Chinese 23 Sep 94 p 1

[“Meet the Demands of the Development of the Situation; Build Up Leading Bodies of Party Committees”]

[FBIS Translated Text] A forum of secretaries of party committees of the Zhejiang Provincial Military District was held in Hangzhou on the morning of 22 September. Li Zemin, secretary of the Zhejiang Provincial CPC Committee and first secretary of the CPC Committee of the Zhejiang Provincial Military District, attended and spoke at the meeting.

The main task of the forum was, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and his thinking on troop building in the new period, to seriously analyze the building over the past few years of party committees at all levels of the provincial military district, to find out the weak links, and to study specific measures to build up party committees at all levels of the provincial military district to meet the demands of the new situation.

Li Zemin fully affirmed the achievements made by party committees at all levels of the provincial military district, in compliance to the objective demands of the market economic situation, in building themselves up and in endeavoring to do a good reserve service job for the troops and the militia. He said: In the new situation of deepening reform and broadening the scope of opening up, party committees at all levels, as the nucleus of leadership for thoroughly implementing the party's basic line, shoulder a heavy historical responsibility. Zhejiang is located in the country's southeastern coastal region; it is in an important strategic position. One the one hand, party committees at all levels of the provincial military district shoulder an important task of building up national defense; and, on the other hand, assume a heavy responsibility in ensuring that the party's work is

properly carried out, in advancing economic development, and in maintaining social stability. As reform continues to deepen, some in-depth contradictions in economic work have gradually emerged. Therefore, party committees at all levels should further build themselves up, and constantly enhance their ability to control the overall situation and to properly carry out work in all areas.

Li Zemin said: To build up party committees at all levels, the most important things are to regard the proper study of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the top job for building up party committees, and to persistently use scientific theories to arm the minds of members of party committees in order to lay a solid theoretical foundation. At the same time, we must bear in mind the party and the Armed Forces' goal of wholeheartedly serving the people, keep in mind that we are public servants, and always conscientiously work for the party and people. Party committees and leaders at all levels of the provincial military district should regard properly performing their duty, doing all troop-related work in a down-to-earth manner, and providing security assurance and a stable social environment for local economic construction as their basic work to serve the people. They should self-consciously do their duty the best they can so the party and the people do not have to worry.

Li Zemin said: Currently, a brand new situation has emerged in which the country's package of reforms are combined with breakthroughs in key areas. This new situation will affect all sectors and spheres, and will inevitably pose new demands for the building of party committees. Party committees at all levels should truly adhere to the principle of democratic centralism; do things in a practical manner; and, in making decisions on important issues, be fully democratic, insist on collective leadership, and ensure that party committees' decision-making is democratic and scientific.

Li Zemin stressed: Party committees and leaders at all levels should have a correct attitude about their authority; have a correct perception of “power” and “interests;” self-consciously resist the influence of money worship, hedonism, and extreme individualism; do their work starting from the very basics; practice strict self-discipline; self-consciously create an image of being clean, honest, and self-disciplined; and be true leading cadres.

On behalf of the provincial CPC committee and government, Li Zemin expressed his thanks to the large numbers of officers and men of the provincial military district and the troops stationed in Zhejiang for helping Zhejiang fight natural disasters and for making outstanding contributions to Zhejiang's economic construction.

Yang Shijie, deputy secretary of the provincial military district CPC Committee, and commander of the provincial military district, on behalf of the provincial military

district's CPC Committee Standing Committee, briefed the forum on the building up over the past few years of party committees at all levels of the provincial military district. Wang Changgui, member of the provincial military district's CPC Committee Standing Committee and deputy political commissar of the provincial military district, relayed the guidelines of the forum of secretaries of party committees of the Nanjing Military Region.

Seventy-two persons, including Jiang Maobao, Yuan Xinghua, Chen Lijiu, Yang Xuemin, and Zhang Fangpan—all members of the provincial military district's CPC Committee Standing Committee—attended the forum.

Specialized Technical Army Branches Viewed

SK0310053894 Beijing XINHUA Domestic Service in Chinese 1344 GMT 30 Sep 94

[By reporter Deng Ying (6772 4481) and correspondent Tu Xueneng (3205 1331 5174): "The Specialized Technical Arms of Our Army has Become the Main Ground Force"]

[FBIS Translated Text] Beijing, 30 September (XINHUA)—Reporters learned from the departments concerned a few days ago that the proportion of specialized technical arms, including the artillery, armored corps, engineer corps, and anti-chemical corps, in our army has exceeded two-thirds, and they are playing an increasingly important role in the building of army units. This indicates that we have entered a new stage of modernizing the building of our army.

Breakthrough progress has been achieved in reforming the training of various branches of the army. Quick reaction training, coordinated training of various branches, and night fighting training have greatly enhanced the coordinated, comprehensive, and three-dimensional fighting capacity of various branches. At present, all branches have established a whole set of training rules and regulations. Their subordinate units have boldly reformed the training method, absorbed advanced science and technology, conducted training in line with the law, given training in line with the training program, and greatly enhanced the effectiveness and level of training.

A leap in the quality of equipment of various branches of the army has been seen. The artillery has been equipped with new trench mortars, automatic howitzers, bazookas, battle and tactical guided missiles, anti-tank guided missile launching vehicles, automatic antiaircraft guns, and air defense guided missiles, which have the capability of direct attack, follow-up, and screening. The application of new high-level technology to tanks and armored vehicles has upgraded the fire power, ability to deal with emergencies, defense capability, and night fighting ability by a large margin. Armored mechanized troops have been developed into the main shock force

for ground attack and defense operations. Relying on the home-made vessels and bridges for river crossings, the engineer corps can overcome all river obstacles; mine sweeping and camouflage capabilities have all approached or attained world-class quality. The anti-chemical corps has strengthened mass defense capacity and the ability to detect poison quickly under field conditions. In addition, they can also provide smoke screens in large areas.

In order to wage high-tech battles, army technological branches have been moved from the rear to the front stage. The application of new technology, new methods, and new materials, and the coordinated construction of equipment and facilities have greatly accelerated the formation of our army's rapid and highly effective power. They have brought back to life a great deal of damaged, unmaintained, or outdated equipment; reduced the frequency of equipment maintenance; and extended their service time.

The rapid development of various branches of the army cannot be separated from the scientific research system. According to statistics, over the past few years branches of the army have won more than 1,700 all-army scientific and technological progress awards and nearly 100 state-grade scientific and technological progress awards, and a number of their achievements have attained the international advanced level.

Economic & Agricultural

Zou Jiahua Speaks at Technology Supervision Conference

OW3009141494 Beijing XINHUA Domestic Service in Chinese 1128 GMT 23 Sep 94

[By reporter Zhang Jimin (1728 4949 3046)]

[FBIS Translated Text] Beijing, 23 Sep (XINHUA)—Zou Jiahua, vice premier of the State Council, spoke at the closing of the Third National Technology Supervision Working Conference in Beijing on 22 September. He said that economic development must stress product quality and that technology supervision work must revolve around quality. He urged technology supervision departments to fulfill their comprehensive management and administrative functions in a down-to-earth manner and to make fresh contributions to the sustained, rapid, and healthy development of the national economy.

On behalf of the State Council, Zou Jiahua sent cordial greetings to a vast number of cadres, staff members, and workers who are engaged in standardization, measurement, and quality work. He said technology supervision departments should be commended for having concentrated their efforts on the central task of economic construction over the last several years and for having done an outstanding job in raising product, work, and

service quality, in cracking down on fake and shoddy products, in cleansing the market, and in protecting consumers' interests.

Zou Jiahua pointed out that establishing and perfecting the technology supervision structure is a required condition for building a socialist market economy. Practice has shown that the importance of technology supervision work rises with the gradual establishment of a socialist market structure in China. Technology supervision work is important for nurturing and improving the market system, for monitoring major market behavior, and for creating a market environment for fair competition. To raise the overall quality of China's commodities and to maintain a normal economic order, we need to emphasize technology supervision work.

When touching on the need for those who are involved in technology supervision work to treat quality as the central task, Zou Jiahua said growth speed is a strategic issue. There will be a waste of precious and limited resources if we only pursue growth without paying attention to quality. Seen from that light, ensuring and raising product quality is also a strategic issue. When development speed grows in tandem with an improvement in quality, product market share will increase and enterprises' economic efficiency will improve. China's product quality has improved greatly since China embarked on the course of reform and opening up. But we should guard against complacency. We must see to the fact that a gap still exists between China and other developed countries in the overall product quality level. As "quality is the life of enterprises," if they produce inferior and unmarketable products, they will cease to exist. Ensuring and raising product quality not only falls within the behavior of enterprises, but is also a socio-economic behavior. In managing the economy, the state must stress product quality and take various measures to help raise the quality of products.

Zou Jiahua also called on technology supervision departments to fulfill their comprehensive management and administrative functions in a down-to-earth-manner. He urged the state technology supervision departments to enhance unified management over the standardization, measurement, quality, and certification work and to conscientiously assume the responsibility as comprehensive management departments in line with the demands for establishing a large and unified market in the nation and for converging with international practices. When bringing comprehensive management functions into play, it is necessary to pay attention to handling well the relationship between division of labor and cooperation, with the main emphasis placed on enhancing cooperation. In addition to giving play to the organizational and coordination functions of the comprehensive management departments, it is also necessary to pay attention to mobilizing the enthusiasm of relevant departments and localities and to seek their support and coordination. In enforcing the law, leading comrades in localities and of departments should support technology supervision

departments in exercising their law enforcement functions, help them build up law enforcement authority, give play to their law enforcement functions, and enhance the effectiveness of the law enforcement and supervision over the technology supervision work. At the same time, it is also necessary to do a good job in the two basic technological works of standardization and measurement. Localities and relevant departments should pay attention to the tendency among some enterprises which neglect the basic work on technical standards and measurements and on quality management work. Enterprise leaders must conscientiously assume responsibility over product quality.

Zou Jiahua noted the fact that technology supervision departments and relevant departments have scored results in cracking down on fake products across the nation and helped protect the masses' interests. He called for all to wage a long campaign to continuously crack down on counterfeit products.

At the meeting, the State Technology Supervision Bureau announced a decision on commending advanced units on the technology supervision work. Zou Jiahua; He Chunlin, deputy secretary general of the State Council; Wang Zhongyu, minister in charge of the State Economic and Trade Commission; and persons in charge of relevant departments awarded prizes to advanced units.

At the four-day meeting, Li Chuanqing, director of the State Technology Supervision Bureau, delivered a work report entitled "Comprehensively Create a New Phase in the Technology Supervision Work Under the Socialist Market Economic System With Reform As the Motive Force and Quality As the Central Task." Wang Zhongyu, minister in charge of the State Economic and Trade Commission also spoke at the meeting.

Li Ruihuan Urges Private Sector To 'Contribute More'

OW3009145994 Beijing XINHUA in English 1400
GMT 30 Sep 94

[FBIS Transcribed Text] Beijing, September 30 (XINHUA)—Li Ruihuan, chairman of the national committee of the Chinese People's Political Consultative Conference (CPPCC), encouraged business executives in the non-state sector of the economy to contribute more to China's economic and social development.

Li told a gathering of the country's outstanding private business people here today that the non-state sector has become an important part of China's socialist market economy, and is playing an active role in making urban and rural markets flourishing, increasing employment and maintaining social stability.

Li spoke highly of a large number of businessmen who are patriotic, industrious, lawful and devoted to public

affairs, especially the ten private business people who called on the country's non-state sector to help the poor in April this year.

"That is very good," the chairman said. "We are fully in favor of it. There are 80 million people across the country who still can not produce enough to feed and clothe themselves. We should not forget them."

Wu Yi on Foreign Trade, Investment, GATT Entry

HK0210081494 Hong Kong CHING CHI TAO PAO in Chinese 26 Sep 94 pp 10,11

[("Special National Day Contribution" column on interview with Wu Yi, minister of foreign trade and economic cooperation, by unidentified staff reporter; place and date not given: "Wu Yi on Foreign Trade, Tax Reforms, and Problem of Reentering GATT")]

[FBIS Translated Text] Editor's note: As many readers and friends in industrial and commercial circles overseas are concerned about China's foreign trade situation and application for reentry to GATT, a reporter from this magazine specially interviewed Wu Yi, minister of foreign economic relations and trade [as published], asking her to speak about the above topics. Wu readily accepted his request and gave detailed, accurate, and authoritative answers to a series of questions.

China's Foreign Trade Continues To Grow at Sustained, Steady, and Rapid Rate

Wu Yi first gave an account of the growth in China's foreign trade since the beginning of this year. She said that since the reform and opening up, China's foreign trade had grown at a sustained, steady, and rapid rate. In particular, the reforms of the management system for foreign exchange and foreign trade, the unification of exchange rates, and the policy decision to do away with the foreign exchange retention system and the requirement to turn foreign exchange over to the central treasury, which were introduced early this year, greatly promoted foreign trade because these measures provided an environment for competition on an equal footing.

Foreign trade shows a tendency of rapid growth. According to statistics provided by customs, from January to July, China's total foreign trade volume was \$117.55 billion, up 24.8 percent over the same period last year (the same below), with the volume of exports increasing by 31.2 percent to \$58.74 billion and imports by 19 percent to \$58.81 billion. The import and export volumes were basically at the same level. General exports, which registered negative growth last year, grew rapidly this year, with the general export volume amounting to \$30.78 billion, an increase of 45 percent and representing 52.4 percent of the total export volume, while the general import volume ran to \$18.23 billion, a decrease of 0.6 percent and constituting 31 percent of the

total import volume. The foreign trade volume of foreign-funded enterprises totaled \$42.76 billion, increasing 40.8 percent and accounting for 36.4 percent of China's total volume of foreign trade. Statistics for the January-July period demonstrate that Japan remains China's biggest trading partner with the bilateral trade volume expanding by 29.6 percent to \$23.15 billion, followed by Hong Kong, the United States, the EC, Taiwan, South Korea, Russia, and Singapore. Export commodities were mainly composed of textiles, other light industrial goods, and electronic products, and import commodities were mainly raw and semi-finished materials, machinery, electronic products, and farm produce. Due to a big increase in exports, especially in general exports, and a decrease in imports, there was a considerable increase in state foreign exchange reserves at the end of last year. By late June this year, the state had \$31.8 billion in reserves.

There was a continued increase in the amount of foreign funds utilized. From January to June, 25,450 new foreign investment projects were approved involving a total investment of \$44 billion, falling 42 and 25.4 percent respectively from the same period last year, while foreign capital actually invested stood at \$14.7 billion, up 54.9 percent over the same period last year. There was an increase in the scale of foreign-funded projects. In the first half of this year, the average contracted amount of each foreign-funded project was \$1.73 million, up 28.7 percent over the corresponding figure for the same period last year. The foreign trade volume of foreign-funded enterprises was \$35.78 billion yuan, registering an increase of 45.3 percent and accounting for 36.7 of China's total foreign trade volume. In some areas, export proceeds of foreign-funded enterprises have become an important source of local foreign exchange receipts. From January to June this year, 48 new foreign loan contracts were signed with a contracted amount of \$6.89 billion and a utilized amount of \$4.7 billion, up 41.2, 78.2, and 16.3 percent respectively over the same period last year.

There was a steady increase in construction projects contracted abroad and labor services provided to other countries. From January to June, 5,860 contracts for construction projects and labor services abroad were signed, down 8.1 percent from the same period last year. But the new contracts involved \$3.36 billion, up 16.3 percent over the same period last year. The performance turnover [wan cheng ying ye 1346 2052 3602 2814 7345] was \$2.45 billion, up 41.9 percent over the same period last year. A total of 194,000 people were sent abroad to undertake contracted projects, 68,000 more than the same period last year.

Exports and imports of technology declined by a rather big margin. In the January-June period, 177 technology import contracts were signed involving \$1.621 billion, down 5 and 51 percent respectively from the same period last year. The main reasons were that after the unification of foreign exchange rates, some enterprises

suspended business due to cash shortages caused by increased investment demanded in renminbi, and there was a decline in imports of advanced technology items involving large sums of money. Only two import contracts involving over \$100 million each were signed, down 80 percent from the same period last year. From January to June, 70 contracts for technology export were signed, registering a 100 percent increase, but the contracted amount was \$536 million, down 60 percent from the same period last year. The main reasons were: A lack of support for exports from export credit, there was a decrease in the number of export items involving large sums of money with only three items exceeding \$10 million each, and some export companies competed in lowering prices for technology export items.

New progress was made in aid to foreign countries. In the first half of this year, China signed agreements on financial assistance with 41 recipient countries. New projects to be financed by China totaled 20. In this period, China financed 125 projects in 61 recipient countries and provided 28 batches of free general items to 25 recipient countries. China now has 182 professional teams (including medical teams) comprising 3,500 people stationed in recipient countries. In another development, China has intensified its multiple cooperation with UN bodies responsible for economic and trade development.

Foreign-Funded Enterprises Did Not Bear Greater Tax Burden Because of Reform of Taxation System

When asked whether China's tax reform would affect foreign investment in China, Wu said that the National People's Congress [NPC] and the State Council had promulgated new tax laws and regulations in turn this year. This was a major measure to open China wider to the outside world and to continue improving the investment environment.

She continued that indirect tax was the main component of China's tax structure and also the focal point of the current tax reform. The new indirect tax system was equally applied to domestic enterprises, foreign-funded enterprises, and foreign enterprises in a bid to achieve fairness in tax burdens and to encourage competition, as well as to form a standard and perfect mechanism for retaining taxation payments among enterprises as required by the value-added tax. A change in the tax structure, simplification and unification of tax rates, and a change in the procedures for tax payment inevitably led to a change in the tax burden of some business lines, enterprises, and products. As far as indirect tax was concerned, the tax burden mainly underwent a structural change, and the overall indirect tax burden on enterprises before and after the tax reform was basically at the same level, while there was a rise or fall in the tax burden of specific products or specific enterprises. This was a necessary measure for changing unfair tax burdens to fair ones and in forming distribution relations.

There was also an increase or decrease in the tax burden of foreign-funded enterprises after value-added, consumption, and sales taxes were levied on them. To maintain stable and consistent tax policies involving foreigners and to safeguard foreign businessmen's legitimate interests to facilitate opening up, the Eighth NPC Standing Committee and the State Council decided to take proper measures to solve problems concerning increased tax burdens on some foreign-funded enterprises. The specific measures were: Those foreign-funded enterprises allowed to set up before 31 December 1993 were entitled to a refund of the extra money paid due to an increased tax burden caused by the shift to the value-added tax system for an approved operational period—five years at most for those enterprises without specified operational periods—at the request of the enterprises concerned.

The basic principles of the current tax reform involving foreigners are to unify tax laws and keep preferential measures unchanged in principle. The income tax laws for foreign-invested enterprises and foreign enterprises, which came into effect on 1 July 1991, will not change, neither would preferential tax policies laid down in law. What has affected foreign-funded enterprises is mainly preferential policies concerning indirect taxes applicable to foreigners. Specifically, they were: 1) Capital goods imported for investment were exempt from taxes, including machinery, equipment, spare parts, and components necessary for enterprise production and imported raw and semi-finished materials necessary for producing export goods, which were all embraced in the total investment amount. 2) Imported goods with special import licenses enjoyed tax reductions and exemptions. This mainly referred to goods imported by foreign-funded enterprises in the special economic zones and products of enterprises in special economic zones for sale in the zones. Other than oil, tobacco and alcohol drinks were given a 50 percent tax cut, other products were exempt from indirect tax. 3) Preferential policies related to indirect tax applicable in the bonded areas. 4) Export goods produced by foreign-funded enterprises were exempt from indirect tax, unless otherwise specified by the state. And 5) joint ventures or foreign-funded banks allowed to set up in the special economic zones or the New Pudong District were exempt from indirect tax in the five years from their date of commencing operations.

Practice over six months has shown that the new tax system has not increased the tax burden of foreign-funded enterprises and that preferential policies for foreign-funded enterprises were not withdrawn after the tax reform.

Reasons For Decreased Foreign Investment in First Half

There was a rather big decrease in both the agreements signed between China and foreign investors and the contracted amount. What on earth was the reason? Wu believed the main reasons were as follows: 1) Beginning

in the second half of last year, the state exercised appropriate control on over-heated property development by levying a land gain tax, thus causing decreased foreign investment in property projects. 2) The difficulty the Chinese side had in raising supporting funds for certain projects affected foreign investment to a certain degree. 3) Some foreign businessmen failed to arrive at an adequate understanding of the reform measures introduced this year, and we failed to implement supportive measures in time. As a result, some foreign businessmen, who were skeptical of China's new policies, took a wait-and-see attitude. 4) After the state levied taxes on sedans imported by foreign-funded enterprises, there was a decrease in projects launched only for the importation of duty-free sedans. And 5) after the implementation of the new management system for foreign exchange, negotiations on and examination of some projects had not yielded results because specific approval procedures for major domestic market-oriented projects, including infrastructural projects which could not provide the foreign exchange they needed on their own, had not been worked out.

Wu added that, generally speaking, though there was a decrease in the number of projects utilizing foreign funds and in the contracted amount as compared with the same period last year, the contracted amount of foreign funds still amounted to \$44 billion. This is a large sum. In the meantime, the amount of foreign funds actually put to use increased by 55 percent over the same period last year. Industrial manufacturing projects continue to grow in number, investment by major transnational companies climbed, and the scale of foreign investment expanded, so the general situation is good. Naturally, we should improve relevant laws and regulations and the investment environment. Wu believes that foreign investment in China will preserve its robust growth momentum and that the scale of investment would further increase.

China Making Final Efforts To Reenter GATT

With regard to the present situation on the talks on restoring China's status in GATT, Wu said that China had been applying for reentry into GATT for eight years. China was now a major trading country. China and the GATT needed each other. If China, a major trading country with bright prospects, was excluded from membership of the World Trade Organization, the organization could no longer be called a world trade body.

She said that China's principle for reentering GATT was that there must be a balance between rights and duties. To prevent China restoring its membership in GATT, a certain signatory party was advancing a series of harsh and even unreasonable terms. These were totally unacceptable to China. We would never barter away the basic state interest for membership in GATT. China's reentry into GATT was not only its own matter, but also a matter which would have a great impact on the development of world trade and which would bring bilateral or even multilateral economic benefits.

Wu said finally that China had a sincere wish to reenter GATT and took a resolute attitude. China was still making final efforts to achieve this goal. At the working meeting on China's reentry into GATT held in Geneva on 29 July, the Chinese delegation tabled a package program, displaying once again China's sincerity and efforts. This being the case, if China's wish to reenter GATT was denied it would not keep itself within the bounds of GATT regulations. This would be very detrimental to various countries' attempts to obtain more opportunities for trade and investment in the China market, which we are reluctant to see. But it should be pointed out that China's determination to continue its reform and opening policy will never change no matter whether it is admitted to GATT or not. Neither would China change its determination to step up its efforts to absorb foreign capital, to promote foreign trade, and to increase its overall national strength. Come what may, China will more readily move close to international standards and will make its due contributions to the development of world trade.

Minister Says Most Property Investment in Housing

HK0110081394 Beijing ZHONGGUO XINWEN SHE
in English 0241 GMT 1 Oct 94

[FBIS Transcribed Text] Beijing, October 1 (CNS)—Eighty percent of property investment has been spent on construction of residential housing, which indicates that the property investment pattern has been changed, said Mr. Li Zhendong, vice-minister of the Ministry of Construction. The property industry is now developing towards the direction required by the macro economic regulation.

Mr. Li said that property investment has gradually declined since the implementation of the macroeconomic regulations started in the latter half of last year. The property investment of the former half of this year increased by 43.9 percent, plummeting 100 percentage points compared with the corresponding period of last year. However, investment on public housing is on the rise month by month, having by now reached 80 percent of the total property investment, which has triggered some changes in the property market.

According to statistics, 18.06 million sq. metres of construction of residential housing, 87 percent out of finished commodity property, had been completed during the period from last January to July, which saw a 52.5 percent increase over the same period of last year. During this period, price for one sq. metre of commodity housing was 1,049 yuan renminbi on average. If the factor of price rise is excluded, the actual selling price was eight percent down. At the same time, the sales value and the sales volume of the commodity property had been risen by 48.6 percent and 61.5 percent respectively. Of these, the sales value of residential housing had taken 92 percent. What's worth noting is that individual purchasing of residential housing had taken the lion's share.

In Zhejiang, it was as high as 60 percent in the first half of this year, while in Guangdong it reached 77 percent in the first quarter of this year.

Despite negative increase of new property projects in number this year, the property investment has maintained its rising to a certain extent. The scale is still fairly large. However, Mr. Li warned, shrinkage would show in both construction scale and total investment in next year and the year after, and departments concerned must be prepared and have an overall scientific analysis for this.

Country To Launch Nationwide Housing Project

OW0210135294 Beijing XINHUA in English 1254
GMT 2 Oct 94

[FBIS Transcribed Text] Beijing, September 29 (XINHUA)—The much awaited 'an-ju (or comfortable housing)' project, a program that aims at building more houses for the low or mid-income urban citizens, will be formally launched in China next year.

Details of the project was disclosed for the first time by Song Chunhua, director of the Real Estate Department of the Ministry of Construction, on the Sixth International Forum on Housing that was held here late last month.

Song explained that problems in the arrangement of funds and operation had prevented the project from being started within the year as had been widely expected.

He said investment for the project will come from policy loans of the central government, the housing foundations, revenues from selling houses, and other resources of local governments.

Houses built by the project will be sold mainly at cost prices to the low or mid-income urban citizens, Song said, montage loans and payment by installment will also be made possible by the government.

To decrease the costs of the houses, the land for construction will be granted free by the government and the developers will be exempted part of the taxes, the official said.

Local governments will have to pay for the infrastructure facilities for the projected houses, and part of the non-profit service facilities in the residential compounds built under the project, said Song.

Under the government's ten-year program for housing development, the country will build 750 million sq m of houses in floor space from 1991 to 1995, to increase the per person residential area in urban area to 7.5 sq m.

From 1996 to 2000, the country plans to add 900 million sq m of houses in floor space, which will boost the per person residential area in urban area to eight sq m.

The director said the a benign circulation between the input an output of funds is critical to the success of the

project. He promised that the government will give a continuous financial support to the project.

Paper Warns Against Being 'Hotheaded' Over Economy

HK3009124494 Beijing JINGJI RIBAO in Chinese 31 Aug 94 p 1

[Commentator's article: "Do Not Become Hotheaded or Slacken Macroeconomic Regulation and Control"]

[FBIS Translated Text] The national economic situation was very good during the first half of this year, with the smooth carrying out of financial, banking, foreign exchange, foreign trade, price, and circulation structural reforms as scheduled. Comparatively ideal results were achieved. In this situation, some comrades began to become hotheaded and others even thought that since the situation was very good, control over the money market could be relaxed for an "all-out, faster go [da gan kuai shang 1129 1626 1816 0006]."

This idea is very detrimental. Macroeconomic regulation and control must not be relaxed and an "all-out, faster go" is undesirable [yao bu de 6008 0008 1779].

We must soberly understand that although the present economic situation is very good, the real and potential pressure of inflation is still very heavy. Since July last year, the price increase rate has remained higher than the economic growth rate and bank loan interest rates in the same period, making it hard for various circles to bear. From whence has this inflationary pressure come? It has mainly stemmed from the excessively large scale of investment in capital construction and the excessively rapid growth in the consumption funds. This year, the nation's scheduled economic growth rate and the objective of the price increase rate to be kept under control have not been fulfilled. If macroeconomic regulation and control are relaxed and an "all-out, faster go" is encouraged, it will be very hard to ensure the sustained, rapid, and healthy development of the national economy and this will be disadvantageous to social stability, to bringing the masses' initiative into play, and to implementing and materializing the major policy of reform, development, and stability.

We must also be aware that, at present, the main difficulty in state-owned enterprises is not a funds shortage and that, to resolve their difficulties, it will not do to increase investments alone or carry out extensive reproduction to stimulate production. Statistics suggest that by the end of June this year, the capital used for the production of products by 380,000 industrial enterprises, with independent accounting, at the township level and above throughout the country increased by almost 50 billion yuan over the beginning of this year, exceeding the normal stockpiling of goods by more than 70 billion yuan. This serious overstocking of industrial products is one of the important reasons why enterprises' fund shortages are deteriorating. If control over the

money market is relaxed and an "all-out, faster go" is encouraged in blind pursuit of more output value and faster rates, this will not be good for enterprises' transformation of mechanism or their movement toward the market. On the contrary, it will cause more products to be overstocked as a result of millions of enterprises' stepping up their efforts for faster production. In this case, more funds will be used and enterprises will find themselves in a bad cycle of "more investments, more products overstocked, more fund shortages, and again more investments."

What is particularly noteworthy is this: Although many localities have "stopped" some of their infrastructural projects since the state strengthened macroeconomic regulation and control last year, most of them are, as a matter of fact, still waiting, with construction sites still there, foundations still there, and materials still there. Superficially, they have all stopped but, in reality, some are standing, some are squatting, some are sitting, and some are temporarily lying down—all are "waiting for an opportunity." Whenever there is an opportunity, or if control is relaxed, they will speedily leap and run. If there is an opening for an "all-out, faster go," a large number of projects which do not necessarily have markets or economic returns may rise in swarms and rapidly expand, causing shortages of funds and materials, 40 percent of which will turn into a consumption funds, ignite a consumption demand, and trigger price increases. We have learned such a lesson on many occasions.

The better the situation, the more sober-minded we must remain. An "all-out, faster go" disregarding the overall interests and results is undesirable. This should become a common understanding of the people throughout the country. This matter involves the overall situation and must not be taken lightly.

Quality Control Strategy Meeting Held in Beijing
HK3009123694 Beijing RENMIN RIBAO in Chinese
26 Sep 94 p 2

[By staff reporter Pan Gang (3382 1511): " '94 China's High-Level Forum on Quality Opened in Beijing"]

[FBIS Translated Text] Beijing, 25 Sep (RENMIN RIBAO)—A 1994 China High-Level Forum on Quality opened in Beijing today, with a view to implementing the State Council's instructions calling for "promoting name brand products and enhancing Chinese products' competitiveon power on the international market," and for "invigorating the country by promoting product quality," to expediting the nationwide campaign for the promotion of name brand products, and to revitalizing China's economy. This is the third top level meeting for people to discuss and exchange views on product quality, after the high-level forums on quality in 1992 and 1993, and is also an important part of the 1994 Nationwide Quality Survey Campaign.

Comrade Bo Yibo sent a congratulatory message on the opening of the forum. In the letter he wrote: It is good to select this topic—the drive of invigorating China by promoting product quality and the name brand promotion strategy—as the main theme. It is through the formulation and implementation of the name brand promotion strategy that we are to further enhance the sense of product quality among all members of our nation, to encourage people to improve product quality, to increase economic returns, to promote the improvement of after-delivery services, and thus achieve the goal of vitalizing the economy and "invigorating the country by promoting product quality." Vice Premier Zou Jiahua wrote an inscription for the forum: "Wish the '94 China High-Level Forum on Quality a complete success."

Lu Dong, chairman of the China Industrial Economics Society; Song Jiwen, president of the China Quality Control Association; Xu Penghang, vice minister of the State Economic and Trade Commission; and Li Chuan-qing, director of the State Bureau of Technology Supervision, delivered important speeches at the opening ceremony. Also present at the forum were more than 150 participants, including leading officials from departments concerned of the State Council and from some areas, experts, scholars, representatives of some outstanding enterprises, and journalists.

This forum was proposed and sponsored by the State Bureau of Technology Supervision, the organizational committee for the China Nationwide Quality Survey Campaign, the China Quality Control Association, and the China Industrial Economics Society, in cooperation with the Propaganda Department of the CPC Central Committee, the State Economic and Trade Commission, the China Association for Science and Technology, the China Enterprises Management Association, and the China Academy of Social Sciences. The forum will focus on the main theme—"the drive of invigorating China by promoting product quality and the name brand promotion strategy." Participants will discuss and study the promotion of name brand products in both theoretical and strategic perspectives. The forum will provide participants from various localities and enterprises an opportunity to exchange experience in the promotion of name brands, with a view to further enhancing the sense of product quality and the sense of name brand among all members of the nation and to promoting technological progress and quality control.

In recent years, a "name brand heat" has been sweeping across China, as name brand products are popular among the consumers, enterprises are striving to establish their name brands, and the government is formulating a strategy to promote name brand products. But, until today, the overall standard of our product quality still is pretty far below international standards, and we have very few name brand products which are very strong competitively in the world market. Therefore, how to correctly evaluate, deal with, and promote "name

"brands" has become a new, hot topic to be studied and a pressing problem to be resolved in the economic life in this country.

Column Says State Firms Fail To Understand Laws

HK0310055894 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 3 Oct 94 p 5

[“View Point” column by Li Yining, head of Beijing University's department of economics and management standing committee member of the National People's congress. “State-Owned Enterprises are Failing To Grasp the Laws of Company Laws”]

[Text] Under China's Company Law, enterprises may be the term used for limited companies with the state as the sole investor, or companies producing special goods and those in state-designated industries. The implication of the clause is that Solely state-owned companies have limited liability and should engage in a limited scope of activities in which state shareholding is a necessity.

However, since the Company Law was announced some leaders of state-owned enterprises mistakenly believed their firms would automatically be converted into wholly state-owned companies seeing this as a short-cut to modernisation. They failed to grasp that liability of the state would be limited to the amount of its investment.

In setting up a wholly state-owned company, two points should be considered. Firstly, all medium and large state enterprises should try to restructure their companies into limited or shareholding concerns. Some enterprises deal with special types of business and only absorb investment from the state. They are encountering difficulty in attracting new investors during the reform. Because of this, they prefer to convert the companies into wholly state-owned ventures.

Secondly, some businesses are highly inefficient and thus fail to attract other investors, despite a strong desire to reform. Therefore, conversion into a solely state-owned company is the only way for them to develop. However, large enterprises, which form the backbone of the economy—such as steel, energy, transport, machinery, shipbuilding, electronic and chemical industries—should not be wholly state-owned enterprises. Instead they should try to attract other investors and become limited or a joint stock companies. Strictly speaking, a limited range of business for wholly state-owned companies is necessary.

In China, there is a tendency to follow the fad. The general trend in China was that when executives learned about the concept of wholly state-owned enterprises, they rushed to convert to that status wrongly thinking that all they needed to do was simply change the name of the company. As a result, in one fell swoop, thousands of "wholly state-owned" companies emerged, without

modernising and improving internal structure and management. Restrictions on the commercial activities of wholly state-owned ventures are, therefore, essential to avoid the irrational rush of "re-labelling".

Also, enterprises engaged in specialist business have to follow the rules in changing to wholly state-owned companies. A unique feature of a wholly state-owned company is that it does not need to hold annual general meetings, and directors are appointed by the state. Therefore, enterprises which may be converted into a joint stock company or limited company should not be wholly owned by the state.

No doubt, it is difficult for a wholly state-owned venture to avoid government intervention because the state is the only investor, and the state also has the sole authority to appoint the directors. Therefore, the number of wholly state-owned companies should be restricted to a few businesses.

Article Reports Development of Township Enterprises

OW3009132494 Beijing XINHUA Domestic Service in Chinese 0802 GMT 23 Sep 94

[“Special Article To Mark National Day” by reporters Jiao Ran (3542 3544) and Wang Yanbin (3769 6066 1755): “Village and Town Enterprises’ Output Value Accounts for Half of China’s Total Industrial Output Value; They Have Become a New Force for Prosperity in the Country and Make People Rich”]

[Text] Beijing, 23 Sep (XINHUA)—According to an introduction by a responsible member of the Bureau for Township Enterprises of the Ministry of Agriculture not long ago, the total output value of village and town enterprises will exceed half of the total industrial output value of the country this year. In 1993, the total output value of village and town enterprises was 2.9 trillion yuan, accounting for 47 percent of the total industrial output value in the country and over 40 percent of the net increase of total industrial and agricultural output value. In the first half of this year, the amount of sales and industrial output value of village and town enterprises and procurement of products for export from village and town enterprises all increased at a rate of over 44 percent.

The above statistical data show that village and town enterprises have become a new force to prosper China and make people rich.

Since the 1980's village and town enterprises have been maintaining fast growth and have made great contributions to the rural economy and the entire national economy. Through strengthening enterprise management and raising the level of science, technology, and equipment in recent years, the hundreds of millions of peasants have further made unexpected achievements as a good present for the 45th anniversary of the founding of New China.

In 1993 the vigorously developing village and town enterprises provided half of the net increase in state tax income, and accounted for 60 percent of the net cash increase of peasants and 45 percent of commodities procured for export purposes. While making these great achievements, the economic and social positions of village and town enterprises have also been raised in the country. Some economists are convinced that village and town enterprises will be the most important factor in deciding the future of national economic development. In particular, village and town enterprises have played an important role in coordinating economic development in east, central, and west regions of the country. According to the latest statistical data of the Ministry of Agriculture, the development of village and town enterprises in central and western regions of the country is being stepped up. In the first half of this year, the output value of village and town enterprises in the central region rose by more than 50 percent and it rose by more than 70 percent in the western region.

Behind those dull figures, there is a cheering fact: Village and town enterprises are effectively increasing the comprehensive economic power of the country.

It was learned that the organizational structure of village and town enterprises has become more mixed and advanced. The development shows that there are more and more types of economic and technological associations. Village and town enterprises are developing into enterprise groups. In 1993, more than 400 village and town enterprises each had an output value exceeding 100 million yuan, and more than 300 village and town enterprises each had sales exceeding 100 million yuan. There are now some 100 enterprises groups which have extended business throughout the country. The backbone village and town enterprises in Zhejiang Province are less than 15 percent of all village and town enterprises, but their output value, profits, and tax account for more than three-fourths of all village and town enterprises. Those backbone enterprises have led village and town enterprises to develop in the direction of "high grade, large scale, and export-oriented." The establishment and development of enterprise groups, the joint stock system, and the joint stock limited partnership system have added new hope and vitality to village and town enterprises.

According to an estimate by a department in charge of village and town enterprises, starting this year, village and town enterprises will become the main body of newly developed economic strength of our country. This year and the next will be a great historical turning point for the position of our country's village and town enterprises in the entire national economy.

According to Zhu Jie, director of the Agricultural Economics Department of the State Planning Commission, in the early period of the Seventh Five-Year Plan period when the state drafted the Eighth Five-Year Plan and the 10-Year Development Program, the target for total

output value of village and town enterprises was set at 2.0 trillion yuan by the year 2000. Later, the figures were revised and raised to 2.64 trillion yuan. Now we can see that the earlier target and the later revised figures were all overfulfilled ahead of schedule. The total output value of village and town enterprises will account for half of the total industrial output value in the country within this year.

Even officials of departments in charge of village and town enterprises frankly admitted that they "really could not imagine" that village and town enterprises would develop in such a sustained, rapid, and healthy manner. At the national work conference on village and town enterprises convened by the State Council in September 1993, the development plan for village and town enterprises was again revised to the following: By the year 2000, the total output value of village and town enterprises is to reach 7.6 trillion yuan, of which industrial output value should be 5.4 trillion yuan and tax revenue should be 750 billion yuan, and 50 million additional people in the rural areas will be shifted from farming to engaging in village and town enterprises.

Under the overall world situation of slow economic growth, China's economy has been maintaining a relatively high speed of development since the 1980's. Even in the period of rectifying the economic order, the growth rate was still maintained at more than 7 percent. China's prosperous economy, huge market, and medium and small enterprises with great vitality have attracted worldwide attention and wonder. International economic circles call China's experience a "miracle."

After deep analysis and research, we can reach the following conclusion: Village and town enterprises are the principal promoters for China's economic miracle, and are the "secret weapons" for creating China's economic miracle.

From 1981 to 1992, the total output value of China's village and town enterprises rose by an average of 31.3 percent per annum, and the industrial output value of village and town enterprises rose by an average of 30.9 percent per annum. The taxes delivered to the state by village and town enterprises rose by 23.4 percent per annum during the same period. In the past seven years, the rate of increase of the total volume of commodities procured from village and town enterprises for export purpose has been more than 60 percent per annum. Since the Seventh Five-Year Plan, village and town enterprises have been pushing up the national economic growth by nearly 4 percent per annum. Judging from the actual development of village and town enterprises in 1993, every 3 percent growth of the total output value of village and town enterprises may push up the gross domestic product by 1 percent, and every 2 percent growth of the industrial output value of village and town enterprises may push up the national industrial output value by 1 percent.

Many economists have pointed out that, now, village and town enterprises are not just a "secret weapon" for

China's economic takeoff, but are "trumps" in reality as well as in name. Village and town enterprises in the country will maintain a relatively fast speed of development and with relatively high economic results for quite long period, and they will be strong pillars to support the sustained, rapid, and healthy development of the national economy.

Officials Say Excessive Imports Cause Steel Overstocking

HK3009123494 Beijing ZHONGGUO XINWEN SHE
in English 1144 GMT 29 Sep 94

[FBIS Translated Text] Beijing, September 29 (CNS)—Officials from the Ministry of Metallurgical Industry of China said excessive imports of steel products had resulted in slow selling and overstocking of steel products in China.

It was disclosed that China imported a total 14.95 million tonne of steel products from January to August of this year and 70 percent of the imported varieties were in fact available in the Country.

Production output of steel products in China has been increasing, with output in the first nine months expected to be over 60 million tonnes, 4.47 percent up on the same period last year. This made the ministry impose restrictions on steel product output, trying to rein in steel product output below 80 million tonnes, reducing by 3 million tonnes on the previous goal.

Last year, China achieved steel product output of 76 million tonne and imported 30.26 million tonne of steel products, hitting the record. Mr. Zhang Zhixun, director of the production department of the ministry, said today that most steel products were imported free of tax through special economic development zones, overseas-funded enterprises, and bonded areas as well as through border trade with Russia and the Ukraine. As many as more than 6,900 companies in China were involved in business of steel product imports and, besides, smuggling of steel product was quite serious.

Excessive imports of steel products has drawn the attention of the State Council and a circular on restriction of steel product imports was recently released. The ministry appealed for carrying out this circular and firmly cracking down on illegal imports of steel products.

Export Goods Tax Refund Regulations

HK3009145694 Beijing GUOJI SHANGBAO in Chinese
31 Aug 94 p 2

[Regulations on Tax Refund (Exemption) for Export Goods Promulgated by the State Administration of Taxation"]

[FBIS Translated Text] In accordance with the "PRC Provisional Regulations on Value Added Tax (VAT)" and the "PRC Provisional Regulations on Consumption Tax," the following regulations governing refund of or

exemption from VAT and consumption tax on export goods are hereby formulated.

Article 1. When exporting goods and handling exports as an agent, an enterprise with export rights (hereinafter referred to as export enterprise) may, unless otherwise stipulated, submit applications to the tax authorities for VAT and consumption tax refunds or exemptions on a monthly basis on the strength of relevant evidence after the goods have been declared to Customs for export and the financial transactions are completed.

Article 2. Goods of the following enterprises are eligible for VAT or consumption tax refund or exemption:

1. Goods exported by companies contracting projects overseas for use in their overseas projects.
2. Goods used by enterprises contracted by foreign companies to provide repair and assembling services for use in such repair and assembly projects.
3. Goods sold by foreign vessel provisioning companies and ocean shipping and provisioning companies to foreign vessels and Chinese oceangoing vessels and paid for in foreign exchange.
4. Machinery and electrical products and building materials sold by domestic enterprises which have won international tenders for projects financed by loans from international monetary organizations or foreign governments.
5. Goods purchased in China by enterprises and exported abroad as overseas investment.

Article 3. The following export goods are exempt from VAT and consumption tax:

1. Goods re-exported after processing with supplied materials.
2. Contraceptive pharmaceuticals and devices and antique books.
3. Cigarettes.
4. Military supplies and products produced by military supplies factories or allotted by military supplies departments and exported by military enterprises.

Goods exempt from state tax are not eligible for tax refund.

Regulations governing tax refund (exemption) for export by foreign-invested enterprises shall be separately promulgated.

Article 4. Except where the goods are re-exported after processing with imported materials, for which approval has been given by the state, the following export goods are not eligible for VAT and consumption tax refund or exemption:

1. Crude oil.

2. Foreign-aid exports.

3. Goods banned from export by the state, including natural bezoar, musk, copper and copper alloy, and platinum.

4. Sugar.

Article 5. Goods purchased by export enterprises from small-scale taxpayers and issued with ordinary receipts are not eligible for tax refund or exemption whether they were subsequently sold domestically or exported. However, taking into consideration their high percentage of exports as well as special factors in respect of their production and purchase, special arrangements for tax exemption or refund may be made for the following exports:

Drawnwork, handicraft works, essential oils, mountain products, straw, willow, bamboo and rattan works, fishing nets and implements, rosin, gallnut, raw lacquer, bristles, goatskin, and paper products.

Article 6. Where the export of goods originally subject to high tax rates and goods of high value is concerned, the relevant provisions of the "Circular By the State Administration of Taxation and Ministry of Foreign Trade and Economic Cooperation Making Clear That Some Enterprises Are Eligible for Tax Refund When Exporting Goods Subject to High Tax Rates and Goods of High Value" (Guoshuifa [1992] No. 079) shall continue to apply. Nondesignated enterprises shall not apply for tax refund when exporting goods originally subject to high tax rates or goods of high value.

Article 7. The amount of VAT refundable on export goods will be calculated at the same rate as the amount of tax on purchases. The specific methods of calculation are as follows:

1. For export enterprises which keep separate accounts for the stock and sale of their export goods, the amount of tax refundable will be calculated according to the purchase value and amount of tax specified on the special VAT receipts for the export goods purchased.

For enterprises which adopt a weighted average price for both their stock and sale accounts, the following formula may be used with the appropriate tax rates and goods:

Amount of tax refundable = volume of export goods x weighted average purchase value x tax rate.

2. For export enterprises which handle both domestic sales and exports and which do not keep separate accounts for their goods exported, the amount of tax refundable on the goods exported will be calculated according to the following formula, after calculating the amount of tax on sales in respect of domestic sales and deducting the amount of tax on purchases for the current period:

A. When sales value multiplied by tax rate is equal to or exceeds the amount of tax on purchases that has not been fully set off or deducted:

Amount of tax refundable = amount of tax on purchases that has not been fully set off or deducted.

B. When sales value multiplied by tax rate is smaller than the amount of tax on purchases that has not been fully set off or deducted:

Amount of tax refundable = sales value x tax rate.

Amount of tax on purchases to be carried over and set off or deducted in the next period = amount of tax on purchases that has not been fully set off or deducted - amount of tax refundable

"Sales value" refers to the value in renminbi calculated on the basis of the FOB price of the goods exported and the foreign exchange market rate, while "tax rate" refers to the tax rate used in calculating the amount of tax refundable on a particular item.

For tax-refundable export goods purchased from small-scale taxpayers, the amount of tax on purchases will be calculated according to the following formula:

Amount of tax on purchases = sales value (VAT included) specified on ordinary receipts over 1 plus levy rate and multiplied by rate of tax refundable

Amount of tax on purchases of other export goods will be calculated according to the amount of tax shown on the special VAT receipt.

Article 8. In calculating the amount of consumption tax refundable on goods exported by foreign-trade enterprises or through the agency of foreign-trade enterprises, refunds on goods subject to consumption tax at a fixed rate according to the price will be based on the price paid by the foreign-trade enterprises when purchasing the goods from the factories, and on which consumption tax was levied, and refunds on goods subject to consumption tax at a fixed amount according to the quantity will be based on the volume of goods purchased and declared to Customs for export. The formula for calculating such tax refunds is as follows:

Amount of consumption tax refundable = amount of export goods sold by factory (export volume) x tax rate (per unit amount of tax).

Goods subject to consumption tax exported by production enterprises with export rights will be exempt from the tax to the actual volume exported.

Article 9. The tax authorities have the power to refuse tax refund or exemption if the sale and purchase values of the exported goods and the amount of tax on these goods are obviously on the high side and no proper grounds are presented.

Article 10. The 17 percent and 13 percent tax rates stipulated in the "PRC Provisional Regulations on VAT" will be taken as the basis in calculating the amount of VAT to be refunded on exported goods.

Tax-refundable goods purchased from small-scale taxpayers will be refunded at the 6 percent rate, while tax-exempt agricultural produce purchased directly from agricultural producers will not be eligible for tax refund.

The "Table of Consumption Tax Items and Rates (Amounts)" appended to the "PRC Provisional Regulations on Consumption Tax" will be followed in calculating the rate or amount of consumption tax refundable on exported goods.

Enterprises should separately calculate and submit separate tax returns for goods with different tax rates. Where the appropriate tax rate is not clearly indicated, the lowest applicable tax rate will be applied.

Article 11. Export enterprises will apply for a tax refund registration certificate from their local tax authorities in charge of tax refund within 30 days of receiving from the Ministry of Foreign Trade and Economic Cooperation and its authorized organs, the necessary documents granting them export rights as well as their business license. Export enterprises which had previously completed tax refund registration procedures will go and have their registration ratified again within 30 days of the promulgation of the present regulations. Export enterprises that have not registered for tax refund or have not had their registration ratified will not be eligible for export tax refund or exemption.

In the event of dismantling, merger, or other changes, an export enterprise will cancel or change its tax refund registration with the local tax authorities in charge of export tax refund within 30 days of obtaining approval for its dismantling, merger, or change.

Article 12. Export enterprises will employ full- or part-time personnel to handle tax refund for export (hereinafter referred to as tax personnel). These personnel will be issued "Tax Personnel Cards" after passing the examination at the end of training provided by the tax authorities. Personnel without "Tax Personnel Cards" will not handle export tax refund matters. Before replacing its tax personnel, an enterprise will inform the tax authorities in charge of its tax refund matters to have their "Tax Personnel Cards" cancelled. Where notification has not been duly given to the tax authorities, all tax refund actions and liabilities incurred by the replaced tax personnel with the tax authorities will be the responsibility of the enterprise.

Article 13. An export enterprise will return "Export Goods Tax Refund (Exemption) Application Forms" on a monthly basis upon completion of financial transactions after the goods have been declared to Customs for export, provide the necessary evidence in support of such applications, and have these verified and stamped by the foreign trade department in charge before applying to the tax authorities handling the matter for the tax refund.

Article 14. An enterprise must provide the following evidence when applying for tax refund on exported goods:

1. Special VAT receipts (tax deduction or offset copy) or ordinary receipts for the exported goods purchased. The enterprise applying for consumption tax refund will also provide "Certificate of Tax Collection (For the Special Use of Export Goods)" (hereinafter referred to as "Special Tax Certificates") issued by factories and stamped by the tax authorities and the bank (treasury).

2. Itemized accounts of export goods sold. The tax authorities handling export tax refund must carefully check and verify the sales invoices and other documents against the itemized accounts.

Special VAT receipts, special consumption tax certificates, and itemized sales accounts for the exported goods must be provided by the enterprise when applying for tax refund.

3. "Export Goods Customs Declarations" (export tax refund copy) stamped by Custom after inspection. "Export Goods Customs Declarations" (export tax refund copy) should, in principle, be submitted by the enterprise when applying for tax refund. However, for the small number of enterprises with large export business which may have difficulty collecting the customs declarations in time because their goods were exported to scattered ports or to distant destinations, permission may be granted to defer submission by up to three months after they have been examined by the tax authorities in charge of tax refund for export and declared financially sound, if they have no record of tax evasion. Where the customs declarations cannot be presented before the specified date, the tax refund (exemption) will have to be paid back.

4. Vouchers on foreign exchange receipts for goods exported. Enterprises will bind their bank vouchers on foreign exchange receipts for goods exported on a consolidated basis each month for examination and verification by the tax authorities. Every six months, the tax authorities will check the vouchers on foreign exchange receipts submitted by enterprises, for which tax refund has already been applied, and make a settlement of account at the end of each financial year on export foreign exchange receipts for which tax refunds had been made to enterprises in the preceding year. Except where vouchers on export foreign exchange receipts are not required, whichever fails to provide the required receipts will have to pay back the tax refund.

The following export goods are not required to provide vouchers on export foreign exchange receipts:

A. Goods exported through barter or compensation trade.

B. Goods exported to projects contracted overseas.

C. Export goods for which payment at usance has been approved by the foreign trade departments of provinces, autonomous regions, centrally-governed municipalities, and cities enjoying provincial status in state plans and where payment is not yet due.

C. Goods purchased domestically by enterprises and exported abroad as overseas investment.

Foreign exchange obtained by enterprises for goods sold domestically will not be included in the vouchers on foreign exchange receipts in the calculation of export tax refunds.

Article 15. Foreign ship provisioning companies or ocean shipping and provisioning companies selling goods to foreign vessels and Chinese ocean-going vessels will return "Export Goods Tax Refund (Exemption) Application Forms" on a monthly basis to the local tax authorities in charge of tax refund for export, providing the necessary special VAT receipts, special consumption tax certificates, export sales invoices, and proof of foreign exchange receipts on the goods purchased.

Export sales invoices are only valid if they clearly indicate the name, quantity, and value of the goods sold and bear the signature of the captain of the foreign vessel or Chinese oceangoing vessel.

Article 16. Production enterprises contracted by foreign companies to provide repair and assembling services will, after re-exporting the goods repaired or assembled, return "Export Goods Tax Refund (Exemption) Application Forms" to the local tax authorities in charge of tax refund for export. Special VAT receipts and dispatch notes for parts and raw materials used for repairs and assembly, invoices for repair and assembling services, customs declaration for goods re-exported after repair and assembly, and foreign exchange receipts will also be submitted at the same time. The tax refundable will be calculated according to the amounts stated on the special VAT receipts and dispatch notes for parts and raw materials used.

Foreign-trade enterprises which commission their repair and assembly services to production enterprises after contracting such services from foreign companies will, after re-exporting the goods repaired or assembled, independently return "Export Goods Tax Refund (Exemption) Application Forms" together with the special VAT receipts for repair and assembling services issued by the production enterprises, the repair and assembling service invoices issued by the foreign-trade enterprises to the foreign companies, re-export customs declaration, and foreign exchange receipts. The tax refundable will be calculated according to the tax payable shown on the special VAT invoice issued by the production enterprises for their repair and assembling services.

Article 17. Companies contracting projects overseas which export equipment, raw materials, construction machinery and other goods overseas for use in these projects will, after the goods have been declared to Customs for export, return "Export Goods Tax Refund (Exemption) Application Forms" to the local tax authorities in charge of tax refund for export together with special VAT invoices of purchases, exports customs

declaration (export tax refund copy), contracts for the overseas projects, and other documents.

Article 18. Domestic enterprises which won international tenders to sell machinery and electrical products and building materials to projects financed by loans from international monetary organizations or foreign governments will, after paying for, examining, and accepting the goods specified, return "Export Goods Tax Refund (Exemption) Application Forms" to the local tax authorities in charge of tax refund for export together with the following evidence and documents:

1. A letter of acceptance (original) signed by the Chinese bidding company or other domestic bidding organizations.
2. The supply contract concluded between the winning bidder and the Chinese bidding company or other bidding organizations. If the winning bidder is a foreign-trade enterprise, the purchase contract (agreement) concluded between the winning bidder and the enterprise supplying the goods will also be submitted.
3. Special VAT invoice of goods purchased for the tender. If consumption tax was already levied, the appropriate special tax certificate will also be submitted (if the tender was won by a production enterprise, consumption tax taxable during various phases of production will be exempted).
4. The list of goods dispatched to the user by the winning bidder in accordance with the provisions set out in the terms of tender and supply contract.
5. In addition to the abovementioned evidence and documents, enterprises subcontracting the tendered project will also provide subcontracts (agreements) signed with the winning bidder.

Loans from international monetary organizations will, for the time being, be limited to loans arranged by the IMF, the World Bank (including the International Bank for Reconstruction and Development and the International Development Association), the United Nations Agricultural Development Fund, and the Asian Development Bank.

Article 19. Enterprises that purchase goods domestically and export them abroad as overseas investment will, after the goods have been declared to Customs for export, return "Export Goods Tax Refund (Exemption) Application Forms" to the local tax authorities in charge of tax refund for export together with the following evidences and documents:

1. Documents (photocopies) issued by the Ministry of Foreign Trade and Economic Cooperation and its authorized organs approving the foreign investment.
2. Copies of business registration abroad and copies of relevant contracts.
3. Special VAT invoice of the export goods purchased.

4. Customs declaration for the export goods (export tax refund copy).

Article 20. After importing tax-exempt raw materials and parts in the name of "processing of supplied materials," export enterprises will apply to the tax authorities in charge of tax refund for export for "Tax Exemption Certificate for Processing of Supplied Materials" on the strength of customs declaration verified and signed by Customs for the goods imported as well as the registration book for processing supplied materials. With this certificate, they will then apply to the tax authorities in charge of their tax levying and collection for exemption of VAT and consumption tax on their processed goods, goods processed on commission, and processing fees. After the goods have been exported, they will carry out verification and cancellation procedures with the tax authorities in charge of tax refund for export on the strength of customs declaration for the export of goods processed, the registration book for processing supplied materials which has already been cancelled after verification by Customs, and vouchers on foreign exchange receipts. If verification and cancellation procedures are not carried out before the specified date, the tax authorities in charge of tax refund for export will, in conjunction with Customs and the tax authorities in charge of tax levying and collection, demand that tax payment be promptly made good and impose penalty.

Article 21. Export enterprises which import raw materials and parts at reduced tax rates in the name of "processing of imported materials" and then sell these materials and parts to other enterprises for processing, will first fill out a "processing of imported materials application form" to be submitted to the tax authorities in charge of their tax levying and collection after obtaining the seal of approval from the tax authorities in charge of their tax refund for export. On this basis, they may, when issuing special VAT receipts, indicate on the receipts the amount of tax on the materials and parts sold, calculated according to the specific tax rates. The tax authorities in charge of levying these export enterprises will not collect the taxable amounts indicated on the receipts of the sales of these materials and parts, and the amounts will be set off or deducted from the amount of tax refunded by the tax authorities in charge of tax refund when the export enterprises make their applications.

Tax refund for goods re-exported after processing with imported materials will be calculated in accordance with the following formulas:

Amount of tax refunded on goods exported = amount of tax refundable on the exported goods - amount of tax payable on the sale of imported materials and parts

Amount of tax payable on the sale of imported materials and parts = value of sales of imported materials and parts x tax rate - amount of VAT actually levied by Customs on the imported materials and parts

The abovementioned methods do not apply to foreign-invested enterprises which sell to nonforeign-invested enterprises goods processed with supplied or imported materials. These enterprises will pay VAT and consumption tax in accordance with VAT and consumption tax regulations and apply for tax refund in accordance with the export tax refund regulations after export.

Article 22. Enterprises with the right to export cigarettes will be exempt from VAT and consumption tax in the following ways when exporting cigarettes covered by the state cigarette export plan. Export of cigarettes not covered by the state plan will be levied VAT and consumption tax according to regulations and will not be eligible for tax refund after export.

1. An export enterprise that purchases cigarettes from a factory for export purposes will first apply to the tax authorities in charge of its tax refund for export for a "certificate of approval to purchase tax-exempt cigarettes for export," presenting this certificate to the factory so that the latter may apply for tax exemption from the tax authorities in charge of its tax levying and collection. Where the cigarettes have already been granted tax exemption, the cigarette factory must sell them to the export enterprise at prices not inclusive of consumption tax and VAT.

2. The tax authorities in charge of tax refund for export must ratify and sign "certificates of approval to purchase tax-exempt cigarettes for export" in strict accordance with the amount specified in the state cigarette export plan. The state plan for the export of tax-exempt cigarettes will be the plan handed down by this administration. Before the state plan for the export of tax-exempt cigarettes is handed down at the beginning of each year, the local tax authorities in charge of tax refund for export may ratify and sign "certificates of approval to purchase tax-exempt cigarettes for export" in accordance with the proportion of state plan for the export of tax-exempt cigarettes fulfilled by individual export enterprises at the beginning of the preceding year.

3. The tax authorities in charge of the levying and collection of duties and taxes on the cigarette factories must approve tax exemption in strict accordance with the variety, specifications, and amount set out in the "certificate of approval to purchase tax-exempt cigarettes for export." After granting the tax exemption, the tax authorities in charge of the levying and collection of duties and taxes will complete the "tax exemption certificates for cigarettes exported," to be sent directly to the tax authorities in charge of the purchasers' tax refund for export.

4. After exporting the tax-exempt export cigarettes, an export enterprise, on the strength of export goods customs declaration (export tax refund copy), vouchers on foreign exchange receipts, and export invoices, will go through verification and cancellation procedures in respect of the tax exemption with the tax authorities in charge of their tax refund for export on a monthly basis.

Article 23. Export enterprises which declare and export goods processed by production enterprises on a commission basis will, on the strength of the invoices, such as purchase invoices for the raw materials of the processed goods and receipts of processing fees, apply for tax refund in accordance with regulations. If the raw materials and so forth have already been given VAT reduction upon importation as materials imported for processing, the amount reduced will be deducted when calculating the tax refund.

Article 24. The tax refundable on goods exported through an agent will be refunded to the enterprise that acted as the agent. Where products are exported by joint operations of more than two enterprises, the enterprise whose name appears on the customs declaration will apply for tax refund at the place where it is located on the strength of relevant tax refund evidence.

Article 25. Upon receiving the tax refund applications from enterprises, the tax authorities responsible for examining the tax refund applications must conduct serious examination in strict accordance with regulations governing tax refund for exported goods. If no inaccuracies are found, submissions for examination and approval will be made, level to level, to the tax authorities responsible for approving tax refund, after which "drawback certificates" will be issued and presented to the local bank (treasury) for making drawbacks. If the tax refund application filed by an enterprise is complete and accurate, the tax authorities in charge of tax refund for export must, unless otherwise stipulated by the tax authorities at the higher level, complete the relevant tax refund (exemption) procedures within one month of receiving the application.

The power to examine and approve tax refund for export and the relevant working procedures will be determined by the various branches of the State General Administration of Taxation and the import and export taxation management department directly under the State Administration of Taxation. The examination and approval of tax refund for export must be handled by units at or above the level of the central branch of the State Administration of Taxation.

Article 26. The plan for tax refund for export will be incorporated into the plan of tax organs for internal industrial and commercial revenue for centralized management.

Article 27. Where, after export tax refund procedures have been completed, the goods are shut out, returned from abroad, or sold domestically, the enterprise concerned must report and pay to its local taxation authorities in charge of tax refund for export the amount of tax refunded (exempted). The full amount paid back will go to the central treasury.

Article 28. In the process of examining tax refund applications, the tax authorities in charge of tax refund for export will pay regular visits to the enterprises to

investigate and check for themselves the relevant evidence and accounts. Should there be queries about any particular export item, a full investigation may be carried out on the relevant activities.

Article 29. Within three months of the end of financial year, enterprises must provide a full account of tax refunded on exported goods in the preceding year and report the result to the tax authorities in charge of tax refund for export. The tax authorities in charge of tax refund for export will examine and verify the accounting reports of the enterprises. Excesses will be recovered and deficiencies will be made good. After this submission of full accounting, the tax authorities in charge of tax refund for export will not entertain any applications for tax refund for export arising in the preceding year.

Article 30. The tax authorities in charge of tax refund for export will determine whether to conduct a full examination or a spot check on enterprises applying for tax refund for export.

Where the obtaining of tax refund on exported goods through fraud and deception is suspected in certain export activities, an independent investigation may be conducted at the request of the person in charge, citing supporting reasons or grounds and after approval has been obtained from the presiding chief of the central branch or other branches of the State Administration of Taxation, the director of the import and export taxation management department directly under the State Administration of Taxation, or the director of the import and export taxation departments of its various bureaus. During the investigation, tax refund procedures will be suspended in respect of the goods in question. Where tax refund procedures have been completed, the enterprise will be asked to provide a guarantee for make-up payments. If an enterprise fails to provide the required guarantee, the bank with which the enterprise has opened an account may, with the approval of the tax authorities examining and approving tax refunds, be notified in writing to stop payment of sums equivalent to the amount of tax to be made up. Upon the conclusion of the investigation, the matter will be handled in the light of the actual circumstances.

Article 31. In the event of any of the following violations, an enterprise handling export goods will, in addition to being ordered to make the necessary corrections within a specified time, be fined up to 5,000 yuan:

1. Failing to complete export tax refund procedures as required.
2. Failing to set up, use, and preserve account books and vouchers in respect of the exported goods as required.
3. Refusing to give the tax authorities in charge of tax refund access for investigation or to provide information and evidence on tax refunded.

Article 32. Where, due to faults on the part of the export enterprise, the amount of tax actually refunded

(exempted) exceeds the amount of tax that should have been refunded (exempted), or where the enterprise fails to undergo verification and cancellation procedures within the specified time after carrying out tax exemption procedures in respect of materials supplied for processing, the tax authorities in charge of tax refund for export will order that the amount of tax refunded in excess or exempted from payment be returned within a specified time. Upon the expiry of the time limit, a daily surcharge of 0.2 percent of the payment overdue will be imposed.

Article 33. In addition to punishment as set out in Article 44 of the "PRC Law Concerning the Management of Tax Levying and Collection," an enterprise which fraudulently obtains tax refund by forgery, alteration, bribery, or other illegal means may, if the circumstances are serious, face suspension of its right to apply for export tax refund for six months or more by the State Administration for Taxation. During the period of suspension, its exports and agency exports will not be eligible for tax refund.

Where the amount involved is large or the circumstances are particularly serious, the export rights will be abrogated by the Ministry of Foreign Trade and Economic Cooperation.

Article 34. A fine of up to five times the illegal proceeds will be imposed on those who illegally provide or issue forged special tax certificates or other forged evidence for tax refund purposes to enterprises dealing in export goods. If the amount involved is large and the case is serious and results in enterprises obtaining tax refunds by deception and fraud, heavy punishments will be imposed and criminal liability will be pursued by the judicial organs.

Article 35. Other matters of management will be handled in accordance with the relevant stipulations of the "PRC Law Concerning the Management of Tax Levying and Collection," the "PRC Provisional Regulations on VAT" and the "PRC Provisional Regulations on Consumption Tax."

Securities Agency Issues Circular on Rationing Shares

OW 0310032994 Beijing XINHUA Domestic Service in Chinese 1421 GMT 30 Sep 94

[FBIS Translated Text] Beijing, 30 Sep (XINHUA)—To strengthen the management of stock exchanges, urge listed companies to implement the "Company Law," and regulate the activities of listed companies in issuing shares, the China Securities Supervision and Administration Committee has issued a circular on listed companies selling fixed quotas of shares to their shareholders (rationing shares).

The circular states: A listed company's practice of rationing shares to its shareholders is one of the new ways by which a company issues shares. To ration shares,

a listed company must undergo examination and approval procedures by the government of the relevant province, autonomous region, municipality, or city with independent economic decision-making power, or with the central department in charge of enterprises in accordance with the circular. It must then file a report with the China Securities Supervision and Administration Committee for further review.

The circular outlines the following basic requirements that a listed company must fulfill before rationing shares to its shareholders: Funds raised through share-rationing must be used in accordance with state industrial policy. If shares issued previously have been fully subscribed to, at least a year should pass before rationing can begin. If the company has made profits during the past three years in a row, its after-tax profit rate on net assets should average 10 percent or more for those three years. If the company is from the energy, raw and semifinished materials, and infrastructure sectors, the rate may be slightly lower than 10 percent. The company should not have entered false information into or omitted significant information from its financial accounting documents over the past three years. After the company raises funds through share-rationing, its projected after-tax profit rate on net assets should be the same as the interest rate set by banks for personal time deposits during the corresponding period. Only common shares should be rationed to the company's registered common shareholders during the period specified by the relevant shareholders' meeting. The total amount of shares rationed by the company may not surpass 30 percent of the total amount of common shares after the shares issued previously have been fully subscribed to.

The circular notes: Under the following circumstances, the local government or central department in charge of enterprises and the China Securities Supervision and Administration Committee should not approve a listed company's application for rationing shares: Where the listed company does not fulfill its obligations for releasing information in accordance with relevant laws and regulations; where it has committed major violations of the law over the past three years, especially in issuing shares, overtly or covertly, without following the procedures prescribed by current state regulations or outside the scope prescribed by such regulations, and in committing stock-related fraud; where funds raised during the previous issue have been used in a manner incompatible with the company's prospectus on issuing or rationing shares, or with the relevant resolution adopted by a shareholders' meeting; where the shareholders' meeting to discuss share-rationing convenes or votes in a manner incompatible with the "Company Law" and relevant provisions; where the company's report contains false information; and where the price set by the company for its rationed shares is lower than the value of net assets covered by each share before the rationing.

Moreover, specific matters, such as the filing of applications for share-rationing and the release of information

by listed companies, will be addressed separately. A limited liability company that issues and lists its shares overseas should, in principle, follow the provisions in this circular if it issues and lists its shares domestically.

Machine-Building Sector Scores Steady Progress

OW0210130394 Beijing XINHUA in English 1240
GMT 2 Oct 94

[FBIS Transcribed Text] Beijing, October 2 (XINHUA)—China's machine-building industry has been rising by nearly 20 percent annually since the People's Republic was founded 45 years ago, with the present one day's output value equivalent to that of four years in the early post liberation years in the early 1950s.

According to the Beijing-based "CAPITAL ECONOMIC INFORMATION NEWS," China produced 11 billion yuan in machine-building output value in 1952, but the figure jumped to 55.7 billion yuan in 1978 and further to 311.4 billion yuan in 1993, the paper said.

By now, China has led the rest of the world in the production of power generation facilities with the annual capacity of 15 million kw.

Meanwhile, China has also become the world's fifth largest producer in metal cutting machine tools by turning out 1.75 billion U.S. dollars in output value after Japan, Germany, the United States and Italy. The country is also the world's 11th producer of motor vehicles with the annual output of 1.3 million, the paper said.

By 1993, China's machine-building sector has provided electric power generating facilities with the capacity of 170 million kw, 4.8 million metal-cutting machine tools and a total of 8.8 million motor vehicles. About 80 percent of the machinery facilities used in the country have been made in factories in the country, the paper said.

In 1993, China exported 14.6 billion U.S. dollar-worth of machinery products, which represents 16 percent of the country's total export volume, the paper said.

Commentary on Efforts To Promote Name Brands

HK3009124094 Beijing RENMIN RIBAO in Chinese
26 Sep 94 p 2

[Commentator's article: "Develop Magnificent Famous-Brand Undertaking"]

[FBIS Translated Text] In the past couple of years, the "name brand" has become a hit in China. Consumers are fond of name-brand products, enterprises have been making every effort to establish their own name brands, and the government has been practicing a name brand promotion strategy. As far as this matter is concerned, all localities and all sectors are making efforts at different

levels. How to correctly evaluate, treat, and guide this new trend in the economic life of China is a question deserving of attention.

The "1994 China High-Level Forum on Quality," now in progress in Beijing, is to focus on the theme of "invigorating the country by promoting product quality" and by putting into practice a name brand promotion strategy. The selection of this topic meets a pressing, practical need and is of long-term, strategic significance.

In the narrowest sense, a name brand means a famous or well-known trade mark. In reality, a name brand means a product or a company well known for its good quality or good service. But, what is more important for us is to realize that a name brand is a magnificent social accomplishment. A name brand product itself has a very rich content. As far as a name brand is concerned, one needs to create the name brand, promote it, publicize it, and protect it. Those involved in the name brand-related activities are not only enterprises, but also the legislative organ, the government, the competent departments, the news media, other social organizations, and the vast number of consumers. The significance of a name brand may not be confined to the economic returns it may contribute to the enterprise. It plays an important role in enhancing the economic standard of the whole country and in building the nation's confidence and pride as well. Therefore, the name brand related affairs are a social undertaking which rests on the common efforts by all social sectors.

The fact that the name brand related affairs become a prominent issue is a natural consequence of economic development in our country. After 45 years' development, especially after the development over the past 15 years since reform and opening up, China's economy has now extricated itself from the quagmire of "scarcity economy" and is remolding itself after a quality and returns oriented economic model. The establishment and development of the socialist market economy has expedited the upgrading process from the sense of quality to the sense of name brand. New changes in the consumption mentality and pattern in our country have strengthened consumers' preference for name brand products. On the other hand, amid the competition on the international market, in order to "keep" one's own market and "infiltrate" other countries' market, one must rely more on name brands as the vanguard and main force to fight the battle. It is against this general background that the name brand heat arose.

Promoting our country's name brands is a system engineering project, which needs effort in several areas ranging from ideology and theory to legislation, strategy, and operation. Effort in the ideological field is the preliminary stage, theoretical study gives guidance, legislation provides regulations, and strategy is the junction linking ideology and theory with practice. We are glad to learn that some trades, competent departments, local governments, and enterprises have been formulating and

implementing a name brand strategy and have made some progress in this direction. At the same time, it is also noteworthy that some enterprises are trying to create their "name brands" by misleading consumers with false advertisements or by playing illegitimate competition tricks, and some organizations and agents are seeking profits in running improper promotion campaigns, such as "name brand contests." Therefore, we must tighten control and apply stricter regulations to this kind of commercial promotion activities while keeping up our efforts in curbing fake and inferior goods, so as to ensure that name brands are properly promoted.

Nowadays, a number of Chinese name brands have been accepted and have become more and more popular amid market competition at home. Looking forward to the future, we believe that more Chinese name brands will be sold around the world and have a good reputation. By then, "MADE IN CHINA" will no longer be a sign of inferior goods and an object of mockery but a widely accepted sign of quality products, and our Chinese nation will stand proudly among the world's economic powers. Let us hold high the banner of Chinese name brands and carry on our efforts to promote our name brands!

Agriculture Ministry Predicts Another Good Harvest

OW0110043694 Beijing XINHUA in English 0337
GMT 1 Oct 94

[FBIS Transcribed Text] Beijing, October 1 (XINHUA)—China is expected to reap another good harvest in major farm products, according to the Ministry of Agriculture.

A ministry spokesman said China will achieve another good harvest in grain production despite heavy natural disasters and decreased acreage. Total grain output will remain next only to that of last year.

According to the ministry, China's summer grain purchasing has overfulfilled the annual target, with early rice purchasing surpassing the state quotas by 1.5 billion kg.

Meanwhile, China is expected to produce 4.2 billion kg of cotton in 5.4 million hectare of growing areas. Better cotton quality is also estimated.

According to the ministry, the acreage of oil-bearing crops and output of edible oil will hit a record high with output of oil-bearing crops jumping by 7.4 percent over that of last year.

Animal husbandry will also witness steady increase with an output of 41 million tons of meat and 12 million tons of eggs, which will increase by 6.7 and 3.5 percent respectively over that of the past year.

China increased its vegetable growing area by 6.7 million hectares. It produced 8.22 million tons of aquatic products in July, an increase of 20 percent. The annual fishery production is expected to top 20 million tons this year, the ministry said.

State Council Urges Purchase of Grain

OW3009162694 Beijing XINHUA in English 1517
GMT 30 Sep 94

[FBIS Transcribed Text] Beijing, September 30 (XINHUA)—The State Council issued a circular here today, urging all localities to do well in purchasing autumn grain and oil-bearing crops.

China expects a good harvest of autumn crops despite serious natural disasters.

The State Council drew the attention to the difficulty in purchasing autumn grain and oil-bearing crops resulting from the regional differences and the fluctuation of grain prices.

It urged local governments at all levels to make earnest efforts to strengthen the leadership over the purchase work, strictly follow the policies and tighten the control over the grain market.

It said that localities should fulfill the purchasing not only of the grain ordered by the state but also from the market so that the grain handling departments will control 70 percent to 80 percent of the total grain and oil-bearing crops of the whole country.

In purchasing grain and oil-bearing crops from the market, the circular said, rush buying at high prices is not allowed in order to prevent the trigger-off of price hikes on the market.

The circular urged the local governments to do everything possible to purchase all the oil-bearing crops to meet the demand of the market and stabilize the market prices.

It said that it is necessary to fix the standard prices for grain and edible oil on the market and severely punish profiteering and deception.

The circular urged banks, financial organizations and grain department to ensure the supply of funds for purchasing grain and oil-bearing crops and ensure that there will be no IOU's to grain and oil-bearing crop growers.

State Uses Statistics To Help Promote Rural Economy

OW3009115394 Beijing XINHUA Domestic Service in Chinese 2103 GMT 26 Sep 94

[By reporter Lu Yongjian (7773 3057 1696)]

[FBIS Translated Text] Beijing, 27 Sep (XINHUA)—In recent years, the State Statistical Bureau [SSB] has taken the advantage of data under its disposal to help in various ways the agricultural production and social and economic development in rural areas, and has been acclaimed as the information provider and close friend of peasants in many places.

The SSB has always attached great importance to reflecting peasants' circumstances and aspirations. Especially since the inauguration of the Department of Social and Economic Surveys in the Chinese Countryside in 1984, the bureau has released accurate and timely basic data and a host of statistical and analytical reports on the rural economy, which has laid a sound foundation for the party and government to find out about situations in rural areas and to formulate rural economic policies.

Through collecting microeconomic information and providing consultations, the SSB has facilitated information exchanges between peasants and the government, between peasants and enterprises, and among peasants themselves, thereby playing an important role in promoting the development of rural markets. The bureau has followed agricultural production schedules in releasing timely reports on not only peasants' urgent demands for production means, but also periodic data concerning sales and purchases of commodities by peasants. Since 1993, the bureau has set up an information service network of rural statistical surveys participated by 21 provinces (regions and municipalities); and has published SHICHANG JINGJI XINXI [MARKET ECONOMIC INFORMATION] [1579 1034 4842 3444 0207 1873] to periodically provide peasants with "market forecasts and analysis," "market quotations," "introduction of new products," "supply and demand information," "practical agricultural technology," and other information services, winning praises from peasants at large.

Circular on Purchasing of Farm Products

OW0110112394 Beijing XINHUA Domestic Service in Chinese 1201 GMT 28 Sep 94

[FBIS Translated Text] Beijing, 28 Sep (XINHUA)—The People's Bank of China, the Agricultural Bank of China, the Agricultural Development Bank of China, the Industrial and Commercial Bank of China, and the Bank of China today issued a joint emergency circular on further doing a good job in supplying and managing funds for the purchase of farm and sideline products in the fall season, which called on banks at all levels to actively raise and arrange funds in order to ensure the normal progress of the purchasing work.

The circular stresses the necessity of doing the following five tasks well:

1. It is necessary to conscientiously implement the responsibility system for the supply and management of purchasing funds in the fall season. Under the unified leadership of governments at all levels, people's banks and relevant specialized banks at all levels should do a good job in supplying and managing funds for the purchase of farm and sideline products this fall. All branches of the People's Bank should conscientiously do a good job in organizing, coordinating, and supervising work so as to help various banks with their supply and management of purchasing funds. Each branch should

assign a deputy director to be specifically responsible for the work mentioned above, so as to promptly ensure the supply of cash. Banks must pay cash if a peasant wants cash for the farm and sideline products he or she sells, and should actively help him or her transfer accounts if he or she is willing to have his or her account transferred; the directors of all branches of the Agricultural Bank and their other responsible comrades should concentrate on the work of supplying and managing purchasing funds; the Industrial and Commercial Bank and the Bank of China should also do a good job in ensuring that account holders will be supplied with funds for the purchase of farm and sideline products. All localities should conscientiously implement the responsibility system of ensuring purchasing funds for the fall season. Their responsible persons will be held responsible for problems in the supply of funds or for the emergence of the "IOU" phenomenon.

2. The diversion of loans for use in the purchase of farm and sideline products is strictly prohibited. In accordance with the loan ceiling set by the People's Bank, specialized banks at all levels must strictly control the increase of loans used as industrial and commercial circulating funds. Those which have granted other loans by diverting money earmarked as loans for use as purchasing funds must bring down their loan ceiling to the planned limit by the end of this year. Those specialized banks which have granted loans by diverting loans intended for use as funds for purchasing farm and sideline products during the purchasing season will be strictly investigated and punished. Different policies will be practiced with regard to loans as funds for the purchase of farm and sideline products: When loans for the purchase of grain, cotton, and oil-bearing crops are insufficient, the policy of "extending loans and reporting them to higher authorities simultaneously and extending loans first and asking for supplements later" will be permitted. Purchasing funds for the other six types of farm and sideline products under the management of specialized departments will be supplied in accordance with the state policy and plan. When short of purchasing loans, agricultural banks in various areas should promptly ask the main bank for additional funds. As for the purchase of other bulk farm and sideline products, the Agricultural Bank, Industrial and Commercial Bank, and the Bank of China will, in accordance with the principle of repaying capital with interest, extend loans to enterprises on the basis of marketing prospects.

3. Farm and sideline product purchasing funds will be raised, arranged, and supplied on a timely basis. All branches of the Agricultural Bank must use their newly increased deposits this year for the purchase of grain, cotton, oil-bearing crops, and other farm and sideline products after setting aside a portion as reserve, standby funds, and general loans according to their plans. Diverting funds for other purposes is not allowed. The Agricultural Bank and its branches should adopt effective measures to improve the transfer of funds among them. Funds from branches in areas where the busy

purchasing season has not yet arrived, where the purchasing task is light, and where funds are relatively abundant should be transferred to solve the shortage of funds in key purchasing areas. Rural credit cooperatives should grant loans in accordance with the size set by the People's Bank and the Agricultural Bank; they should, on the basis of the unified estimation of provinces, cities, and autonomous regions, ensure that their new deposits will not be less than the amount in the corresponding period of last year and that their ratio of agricultural loans should surpass that of the same period last year. Branches which are short of funds even after efforts to transfer money have been made should promptly notify higher-level branches, which in turn should promptly transfer money to them. When branches with surplus money refuse to transfer money by finding all sorts of excuses, or when a branch at a higher level fails to promptly transfer money as required, their responsible persons shall be held responsible. During the busy purchasing season, agricultural banks in various areas should submit monthly reports on the amount of deposits and loans and on money received and transferred, and should also promptly submit reports on special account deposits to be used as purchasing funds. The Industrial and Commercial Bank and the Bank of China should also make active efforts to raise funds to ensure the planned supply of money for the purchase of farm and sideline products.

4. Effectively strengthening control over funds for the purchase of farm and sideline products and continuing to enforce special control over funds for the purchase of major farm and sideline products such as grain, cotton, and oil-bearing crops. Banks in various areas should deposit purchasing funds in a special account by strictly following the requirements set in the Document 148 of 1993 issued by the People's Bank. No units or individuals are allowed to divert the special account funds to any other purpose. Purchasing enterprises are not permitted to open many bank accounts. Unused money as a result of the canceling of purchasing contracts must be returned to the bank and deposited in a special account. Using these types of funds for other purposes is strictly prohibited. Purchasing loans will be granted in accordance with state policies; no purchasing loans will be granted for the purpose of rush-buying farm and sideline products by jacking up the prices or buying such products in other regions; for enterprises that have no purchasing permits; and for the purpose of buying other farm and sideline products when the purchase of major ones has not been completed.

5. Financial organs and enterprises must ensure that funds are readily available. Banks at all levels should assist local governments and departments in charge of enterprises in ensuring that funds are allocated promptly. Where conditions permit, some localities may

ask financial departments to allocate funds in advance in accordance with the purchasing plans, and accounts may be settled after purchasing is completed. Purchasing enterprises must promptly return unused funds, which will be set aside for use in purchasing farm and sideline products. When a purchasing enterprise diverts purchasing funds to other purposes, the bank must force it to return all other types of loans. In addition to increasing the interest rate on the portion of diverted funds, the bank should recommend punishment for the principal leaders of the enterprise.

6. Strengthening the work of checking and supervising the supply and management of purchasing funds. Banks at all levels should control the size of purchasing loans, supervise the use of loans, and check to find out if "IOU's" have been issued. During the fourth quarter of this year, specialized banks should conduct a monthly examination of their branches and report the results to local people's banks. The examination departments of People's Banks in various areas should organize teams to conduct sample inspections on a monthly basis. Branches which divert purchasing funds to other purposes, refuse to transfer extra money, refuse to transfer money promptly, and cause a dislocation in the supply of funds due to dereliction of duty must be held accountable and be severely punished. It is recommended that departments in charge of purchasing enterprises should also carefully check how these enterprises use their funds.

The circular calls on the leaders of People's Banks at all levels and other relevant banks to go to grass-roots units to conduct investigations and work there during the fall purchasing season, so as to promptly find out how the purchasing of farm and sideline products is going on in their respective areas and to discover new circumstances and new problems emerging in purchasing work. Measures must be adopted on a timely basis to solve the problems. When major problems cannot be solved, they must be promptly reported to banks at a higher level.

Farmers' Housing Conditions Greatly Improved

OW0210094694 Beijing XINHUA in English 0920
GMT 2 Oct 94

[FBIS Transcribed Text] Beijing, October 2 (XINHUA)—The per capita living space of China's 900 million farmers has now reached 20.7 square meters, according to the State Statistical Bureau.

With the increase of living space, their housing quality has markedly improved. From 1982 to 1990, the per unit cost in housing construction had jumped by 2.6 times.

Above 85 percent of the newly built houses are brick-wood or concrete structure and 30 percent of them are multi-storey houses, the bureau said.

East Region

Anhui Makes Rural Education Universal

OW3009121694 Beijing XINHUA in English 1140
GMT 30 Sep 94

[FBIS Transcribed Text] Hefei, September 30 (XINHUA)—Some 90 percent of young farmers in east China's Anhui Province now have learned how to read and write, while almost one fourth of them were illiterate in 1990.

"Anhui has made marked progress in making rural education universal over the past few years," said Bai Shouxun, vice director of the provincial education commission.

"Almost all school-age children in rural areas now receive junior middle school education," he said.

Some 90 percent of children in rural areas aged from 12 to 14 are now studying in schools in Anhui, where 70 percent of the population live in the countryside.

Since Anhui started to make rural education universal five years ago, five million farmers have received regular training to improve their educational level.

"Governments at all levels have paid close attention to education," he said, adding: "They spend 300 million yuan building educational establishments annually."

The "Hope Project", launched by the China Youth Development Foundation in 1989 to help school dropouts in poverty-stricken areas to return to school, also helps Anhui promote rural education.

To date, 50,000 rural dropouts have returned to schools, the official said, adding that 20,000 of them did so this year.

Fujian Boosts Wuyu Island Economic Development

OW0110093794 Beijing XINHUA in English 0804
GMT 1 Oct 94

[FBIS Transcribed Text] Fuzhou, October 1 (XINHUA)—A small barren island scattered with few thatched cottages and worn-out fishing boats ten years ago, Wuyu in southern Fujian Province is now dotted with three-story buildings and use motor-driven ships.

"We could hardly make both ends meet a decade ago, but now we earn an annual average of more than 6,000 yuan per capita by fishing, and live in these modern buildings as urban people do," said an official of the only village on the island. With more than 800 households, the village becomes one of the richest in the province.

The official attributed the great changes to the government's good policy of opening further to the outside world while enlivening domestic economy.

Fujian in east China has more than 1,400 islands and isles along its 3,300-kilometer coastal line. Most of them, just like Wuyu, are crisscrossed with quality roads and set up brisk markets over the past 16 years of construction.

Due to historical reason, a provincial official acknowledged, Fujian used to serve as a coastal front and this adversely affected construction and development until 1978, when it was designated by the central government to pilot in the national reform and opening wider to the outside world.

According to statistics, the provincial government had raised 410 million yuan to construct and improve 3,410 water- and power-supply and other living facilities on its islands and isles during the 1978-93 period.

The newly-built water-supply project at the Huangqi peninsula and a number of water pipes linking the mainland to islands and isles have offered fresh and clean drinking water to tens of thousands of people.

At the same time, a number of islands such as Pingtan, Meizhou, Dacheng and Dongshan has built power grids and some isles installed thermal power generating units.

The Pingtan Island has piloted in generating electricity by tapping its rich wind power, tide, solar and biological energy; and the Xiyang Island has laid a 12-kilometer-long submarine cable to link itself with the mainland.

With the improved infrastructural conditions, these islands and isles are focusing on establishing rural industrial enterprises and projects in cooperation with business people from neighboring Taiwan. They also expand tourism to boost local economy.

Jinan Trade Fair Ends With Fruitful Results

OW0210163794 Beijing XINHUA in English 1554
GMT 2 Oct 94

[FBIS Transcribed Text] Jinan, October 2 (XINHUA)—The '94 Jinan Economic Trade Fair closed in this capital city of east China's Shandong Province last week after signing 783 contracted investment projects worth 2.95 billion U.S. dollars.

During the six-day fair, the city drew some 1.86 billion U.S. dollars in net foreign investment, said Li Huali, vice mayor of Jinan. He said that more than 50 projects have each attracted over 10 million U.S. dollars of investment.

According to Li, most of the foreign funded projects fall in the fields of infrastructure construction, transformation of old enterprises and the development of real estate.

Major projects include: The second phase transformation of Jinan airport, the construction of a shopping center with the United States and a bridge across the Yellow river.

The construction of a thermal power plant with the total investment of 180 million U.S. dollars of investment, for instance, has been signed by an economic development zone in Licheng District, Jinan city, and the U.S. Choate Company Ltd.

With the completion of the first phase of the plant in 1997, the plant can produce 100,000 kw of electricity. The final capacity is expected to reach 300,000 kw after the entire project is built, the city official said.

Nanjing Fair Nets \$1.28 Billion in Overseas Contracts

OW0310020894 Beijing XINHUA in English 0047
GMT 3 Oct 94

[FBIS Transcribed Text] Nanjing, October 3 (XINHUA)—A week-long investment and trade fair in this capital city of east China's Jiangsu Province ended up with introduction of 1.28 billion U.S. dollars.

During the fifth trade fair between September 23 and 29, contracts on 678 projects with overseas funds were signed with a total investment of 1.87 billion U.S. dollars.

A number of letters of intent on future projects were also signed, local officials said.

More than 1,400 business people from 31 countries and regions attended the fair.

According to Zhong Yuhui, vice mayor of Nanjing, an important industrial city in east China, the city's industrial sector took up the lion's share of foreign funds, with 560 projects involving a total investment of nearly 1.3 billion U.S. dollars.

Zhong said that investment for the 48 biggest projects totalled 1.17 billion U.S. dollars, each involving at least 10 million U.S. dollars.

Import and export trade contracts worth 52 million U.S. dollars were signed during the fair.

Shandong's Laizhou Confiscates Illegal Weapons of Fishermen

SK3009140694 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 29 Sep 94

[FBIS Translated Text] Laizhou's supervision departments recently launched special activities to confiscate guns illegally owned by coastal fishermen. It inspected over 4,000 ships in areas under its jurisdiction, seizing 11 home-made guns, 13 hunting rifles, 500 kg of dynamite, 150 detonators, and two antitank grenades as well as removing 13 hidden perils to public security.

Shandong Province Boosts Power Industry

OW0110064494 Beijing XINHUA in English 0550
GMT 1 Oct 94

[FBIS Transcribed Text] Jinan, October 1 (XINHUA)—East China's Shandong Province is boosting power industry to meet the needs of its rapid economic development.

A survey shows that all its 89,842 villages in 122 counties are provided with electricity. The days when remote rural areas lit up oil lamps at night were gone.

As early as in 1985, the Shandong Provincial Government set the target of electrifying all its administrative villages by the year 1998.

The Shandong power departments have since combined the aiding-the-poor program with the supporting of local economic growth.

Over the past decade these departments raised 150 million yuan to install power facilities for 7.2 million rural households.

According to the latest statistics, the province's annual power output used in agriculture reaches 24.67 billion kilowatt-hours, 2.5 times that of the 1985 figure, and the per-capita consumption of electricity in rural areas averages 174.2 kilowatt-hours, ranking first in the country.

Shandong Commentary on Priority of Future Industry

SK0110144094 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 29 Sep 94

[Commentary by (Yu Yonghui) and (Jiang Fumin): "A Future Full of Hope"]

[FBIS Translated Text] Encouraging changes have taken place in Shandong's industry over the past 45 years. However, compared with developed countries, the priority for future development is how to improve economic efficiency, which is also the difficulty. Many enterprises are technologically backward and possess outdated equipment, which has seriously restricted the sustained development of the industry, the improvement of efficiency, and the progress of technology. The provincial party committee and government have issued an explicit call to take the technical transformation of the existing enterprises as a strategic priority in Shandong's economic development. The province plans to concentrate its efforts on key projects in the coming three to five years. It will invest 9.3 billion yuan to cultivate and develop 16 highly competitive products through technical transformation, such as motorcycle and car parts as well as engineering and machinery products, and turn them into Shandong brand-name industrial products so as to upgrade Shandong industry's technological level and strength.

In its future industrial development, Shandong will also make active efforts to adjust the product mix, strengthen basic industries, renovate and reorganize the processing industry, and develop new industries. The focus is to make use of Shandong's advantages of abundant resources, good construction conditions, and substantial foundation to accelerate the development and construction of the coal, power, petroleum, chemical, metallurgical, and other energy and raw materials industries in order to accumulate strength for sustained industrial

development. In the processing industry, the focus is to control and reduce the expansion of the ordinary processing projects and, based on market demand, make continuous efforts to restructure traditional industries. Meanwhile, developing new industries is also a way to narrow the gap with developed countries in the industrial level and in science and technology.

After several decades of trials, hardships, and pioneering efforts, Shandong has established a substantial material foundation and technological force for industry. Meanwhile, it has trained a large number of managerial personnel with a good command of modern managerial knowledge, and has created thousands upon thousands of competent staff members and workers. As long as it persistently takes economic construction as its central task and adheres to the correct principles of reform and opening up, Shandong will find its road to development increasingly wider and its prospects increasingly brighter.

Shandong Meeting Relays Plenary Session Guidelines

SK021000894 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 30 Sep 94

[FBIS Translated Text] The standing committee of the provincial party committee held a meeting on the morning of 30 September to relay, implement, and study the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee.

Jiang Chunyun, member of the Political Bureau of the CPC Central Committee, secretary of the Secretariat of the CPC Central Committee, and secretary of the Shandong Provincial party committee, presided over the meeting and relayed the major guidelines of the fourth plenary session.

Zhao Zihao, deputy secretary of the provincial party committee and provincial governor, relayed the important speech of General Secretary Jiang Zemin delivered at the fourth plenary session. Members of the standing committee of the provincial party committee attended the meeting. Principal responsible comrades of the provincial people's congress standing committee and the party group of the provincial committee of the Chinese People's Political Consultative Conference, and responsible persons of relevant provincial departments attended the meeting as observers.

The participants concentrated on the study and discussion of the decision of the CPC Central Committee on several major issues on strengthening party building, and expressed their full support to the decision of the Fourth Plenary Session of the 14th CPC Central Committee and to the important speech of General Secretary Jiang Zemin. They all believed that the decision of the fourth plenary session has fully manifested Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, particularly the ideology on party

building, and implemented the guidelines of the 14th National Party Congress. This is an important decision of overall and long-term significance which the CPC Central Committee with Comrade Jiang Zemin as the nucleus has made during the crucial moment when China is carrying out reform, opening up, and the socialist modernization drive. Strengthening party building will enable us to have strength for realizing the major historical mission vested by the party and for upholding the party's basic line for 100 years without vacillation.

The participants pointed out: The decision adopted at the fourth plenary session is a very good Marxist theoretical document formulated by pooling the wisdom of the whole party. The three issues proposed in the decision on upholding and improving democratic centralism, strengthening and improving the building of the party's grass-roots organizations, and actively cultivating and selecting leading cadres of ability and political integrity are the important aspects in the party's organizational construction. They are closely related, and must not be separated. All party members should conscientiously study and deeply understand the guidelines of the fourth plenary session, do a good job in implementing all tasks put forward in the decision, and take the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee as a motivation to push our province's current reform, opening up, and economic construction to advance and develop better and more rapidly.

The participants of the meeting also made specific plans for relaying and implementing the guidelines of Fourth Plenary Session of the 14th CPC Central Committee.

Chen Liangyu Said Likely To Take Over Shanghai Mayoralty

HK3009124794 Hong Kong LIEN HO PAO in Chinese 30 Sep 94 p 1

[By staff reporter: "Chen Liangyu May Succeed to Shanghai Mayoralty, Li Chunting Will Succeed to Shandong Governorship"]

[FBIS Translated Text] After the Fourth Plenary Session of the 14th CPC Central Committee, leading bodies in Shanghai and Shandong will undergo minor personnel changes.

The post of the secretary of the Shanghai CPC Municipal Committee will be taken over by the incumbent Mayor Huang Qu who will possibly be replaced by the incumbent Vice Mayor Chen Liangyu.

After Jiang Chunyun, secretary of the Shandong CPC Provincial Committee, was transferred to a central post, Governor Zhao Zihao will hold the post of provincial party secretary and Vice Governor Li Chunting will assume the governorship.

It has been reported that the namelists of candidates of the party committees of Shanghai and Shandong have

been reported to the CPC Central Committee Organization Department. Before replies of approval are received, Huang Qu and Zhao Zhihao will concurrently take up the mayoralty and governorship and then Chen and Li will be acting mayor and acting governor until the municipal people's congress and the provincial people's congress are convened next year, at which time their mayoralty and governorship will be established through symbolic elections.

According to a briefing, Chen Liangyu and Huang Qu were colleagues at the Shanghai Municipal Bureau of Machine-Building and Electronics Industry and, later, he was director of the Shanghai Municipal Veteran Cadres Bureau and then secretary of the Huangpu District CPC Committee. Later on, he was sent to Britain to receive high-level training. Before the completion of his training, he was recalled to take up the post of deputy secretary of the Shanghai Municipal CPC Committee in charge of party affairs.

Chen Liangyu may possibly step over Xu Kuangdi, executive vice mayor who enjoyed Zhou Rongji's appreciation, because he is both a cadre whom Jiang Zemin has personally fostered and Huang Qu's tested colleague. Moreover, he is only in his forties. More importantly, he is a member of the Huangpu faction and cadres from Huangpu District can be found almost at every administrative post in Shanghai and they have the most solid strength there.

Li Chunling, 58, comes from Qixia, Shandong. He joined the CPC in 1958. He was once secretary of the Qixia County CPC Committee, deputy secretary of the Yantai Prefectural CPC Committee, director of the Shandong Provincial Bureau of Metallurgical Industry, and manager of the Shandong Metallurgical Industry Corporation. Since 1988 he has assumed the post of vice governor and he is now executive vice governor.

Shanghai To Build Additional, Larger Housing

OW0210153494 Beijing XINHUA in English 1417
GMT 2 Oct 94

[FBIS Transcribed Text] Shanghai, October 2 (XINHUA)—Shanghai Municipal Government has decided to add residential buildings with a speed of 7 million sq m of floor space each year before 2000.

Shen Guanjun, deputy director of the Construction Committee of Shanghai Municipal Government, told XINHUA that the municipal government's plan is made in line with the city's goal of raising the average living space of each urban resident from the present 7.3 sq m to 10 sq m by the year of 2000, higher than the average level of the country's urban areas.

With the scheme, the government hopes to upgrade the old residential areas which have 10 million sq m of endangered old houses, and help all the 140,000 households now with each member having less than four sq m move into more spacious flats by 2000.

Over the past 45 years, Shanghai, now with an urban population of more than 7.98 million, has built buildings with an aggregate floor space of 82.1 million sq m, and about 4 million urban residents have moved into newly-built flats, said the official.

Despite the great efforts made by local government, the aged city still sees many people living in poor houses with no lavatories, kitchens or gas supply.

Shanghai Develops Communication, Transportation

OW3009112094 Shanghai WEN HUI BAO in Chinese
17 Sep 94 p 1

[Article by reporter Zheng Wei (6774 5588) and trainee Bi Lan (3968 1526); "Distance Between Shanghai and the Rest of the World Has Been Greatly Shortened"]

[FBIS Translated Text] The sea, land, and air transportation, and posts and telecommunications sectors of Shanghai, which are the "vanguards" of the municipality's economic development, have soared in the past few years. Currently, Shanghai's water, land, and air transportation sector annually handles 300 million tonnes of cargo and 43.89 million passengers on trips from Shanghai to other places outside the municipality, and vice versa. The municipality also handles 2.86 billion yuan worth of postal and telecommunications services annually. It has thus become a major hub of transportation and communications in our country, and a window that leads to the outside world. The international containerized traffic, air passenger transportation, and telecommunications services sectors have become three points of rapid growth in Shanghai. All these factors have greatly shortened the distance between Shanghai and the rest of the world, and laid a solid foundation for Shanghai to become an international shipping center.

International Container Transportation Will Break the 1 Million-Barrier

Three years of hard work and development have turned Shanghai's harbor into the third largest in the world. The volume of cargo handled there has increased from 140 million tonnes in 1991 to 176 million tonnes in 1993. Shanghai's water lanes lead to various coastal, Chang Jiang, and inland river ports in the country, and to over 400 ports in nearly 170 countries and regions in the world.

The international containerized traffic has become a new point of rapid growth for Shanghai's ports. The Shanghai-Hong Kong invested Shanghai Container Terminal Limited Company, the biggest investment project in our country's transportation system, started operating last year. The volume of international containerized traffic handled by Shanghai's ports has increased at an annual rate of 30 percent, reaching 935,700 million tonnage equivalent units in 1993, and in the first half of this year increasing 28 percent from the same period in 1993. In

1993, the volume of foreign-trade transportation handled by Shanghai was 42.52 million tonnes, the China Ocean Shipping Company Shanghai Branch ranked among the top-10 container transportation concerns in the world, and the Shanghai Maritime Transport (Group) Company and the Shanghai Chang Jiang Shipping Corporation made major strides by adding ocean container shipping services to their coast-to-coast and Chang Jiang container transportation services.

We have also made major breakthroughs in constructing Shanghai's ports. Last October, the Shanghai Waigaoqiao Port was completed and launched officially, and construction of the Luojing and Jinshanzi new port districts and the second phase of the Waigaoqiao Port construction project also began. What is more heartening, and thanks to years of hard work by about 100 scientific and technical workers, the "key task of dredging deep waterways at the mouth of the Chang Jiang" passed State Planning Commission assessment this year. Plans have been made to deepen, through dredging, the waterways at the mouth of the Chang Jiang to 12.5 meters before 2010. Intense preparations for the project are being carried out.

The Sky Gates Open to 78 Cities in the World

The rapid development of Shanghai's air-transportation market has attracted people's attention, and air passenger transportation has become the fastest growing section of Shanghai's land, sea, and air transportation sector. Three years ago, the Shanghai Hongqiao International Airport had a passenger volume of less than 5 million people. Last year, the figure reached 7.60 million people—transported via 100,000 safe flights.

The world has paid a good deal of attention to the prospects of Shanghai's air-transportation market. At present, 27 Chinese and foreign companies have set up bases in Shanghai. Domestic and international flights from the Hongqiao International Airport take passengers to 78 cities in 16 countries and regions. In the past three years, a garden-airport has tentatively taken shape at the Shanghai Hongqiao International Airport. The opening of new international airport lounges has expanded the areas of existing lounges 1.4-fold, and reconstruction and consolidation of airport runways and taxiing lanes have enabled all types of advanced jumbo passenger planes to land safely.

The Pudong International Airport has a sure future. Under the attention of the party Central Committee, the State Council, and the Central Military Commission, some major problems in the preparations for a Pudong airport project have been solved. We have made plans to build two long and two short runways, and to handle 60 million passengers annually when the project is completed—eight-times the passenger volume handled by the Hongqiao International Airport.

We Offer New Telecommunications Services Offered by Other Modern Cities in the World

By maintaining growth rates of above 40 percent for three consecutive years, Shanghai's telecommunications services have become the fastest growing sector in the municipality. Three years ago, Shanghai only had 836,700 units of installed telephone capacity, and actually only 565,800 households with telephones. By the end of this month, Shanghai has 2 million units of installed telephone capacity, and nearly 1.5 million households with telephones—an increase of nearly 1 million households.

The long-distance communications sector has also developed rapidly in Shanghai. A solid international communications network has already taken shape there. With the use of Sino-Japanese submarine electric cables and international satellite earth stations, Shanghai has opened an international direct-circuit network that links it to 22 countries and regions in the world, enabled international communications with 180 countries and regions, and become one of our country's three international communications bureaus, handling over 30 percent of our country's international telecommunications services.

The Shanghai postal and telecommunications sector has set up direct postal services with over 60 countries and regions. Shanghai's posts and telecommunications departments have also launched almost all of the new telecommunications services offered by modern cities in the world. Telecommunications services that were still alien to Shanghai people three years ago, including China phone cards, 168-voice-message services, answering machines, electronic mailboxes, pictures and writings on videos [as published], picture-phones, teleconferences, special digital data lines, and extra fine-bore satellite communications channels, have widely permeated all trades and professions in Shanghai and the daily lives of people there.

Shanghai Economy Boosts Eastern Railway System

OW3009132994 Beijing XINHUA in English 1251
GMT 30 Sep 94

[FBIS Transcribed Text] Shanghai, September 30 (XINHUA)—The Shanghai Railway Bureau in east China has become the country's leading carrier of passengers and cargoes, thanks to the rapid development of the economy in this part of the country.

According to statistics provided by the Shanghai Railway Bureau, in the first nine months of this year, the east China railways carried 132.5 million passengers, 5.08 million more than in the same period of last year, and 111.1 million tons of cargoes, 1.22 million tons more.

In September alone, the bureau unloaded an average of 11,000 trains a day.

The Shanghai Railway Bureau administers six sub-bureaus of Fujian, Jiangxi, Anhui, Zhejiang, Jiangsu and Shanghai.

Shanghai Set To Be Asian-Pacific Economic, Trade Center

OW0310092194 Beijing XINHUA in English 0817
GMT 3 Oct 94

[FBIS Transcribed Text] Shanghai, October 3 (XINHUA)—With its rapid development of foreign trade and economic cooperation in the past few years, Shanghai will soon become an economic, trade and financial center in the Asian-Pacific region, economists say.

According to the latest statistics, the city has introduced in technology programs valued at over three billion U.S. dollars and made use of more than 20 billion U.S. dollars.

As the country's largest industrial and financial hub, Shanghai annually imported some 30 billion yuan (3.5 billion U.S. dollar) worth of overseas equipment and raw and semifinished materials.

Meanwhile, the city has been developing its export and investment overseas.

In the first seven months this year, Shanghai's technology export value surpassed 100 million U.S. dollars while its exported goods valued at 4.95 billion U.S. dollars.

Central-South Region

Foreign Investment Increases in Hubei's Wuhan

OW0310040694 Beijing XINHUA in English 0343
GMT 3 Oct 94

[FBIS Transcribed Text] Wuhan, October 3 (XINHUA)—Wuhan, capital city of central China's Hubei Province, had attracted nearly 10 billion yuan (1.2 billion U.S. dollars) in the first eight months of this year, with nearly one third of them pouring into infrastructure construction, according to a local official.

Following a Hong Kong company which signed a contract with Wuhan to build a major bridge across the Hanjiang River, one of the major tributaries of the Chang Jiang in 1992, the New World Group of Hong Kong invested 1.6 billion yuan in the construction of a modern airport and a highway bridge across the Chang Jiang River.

Other foreign-funded construction projects include a sewage treatment project loaned by Finland, a cooking gas project funded by France and a number of other infrastructure projects.

Meanwhile, foreign investment also flocked to the city's real estate industry. By now, Wuhan has established 341

foreign-funded real estate companies, accounting for 46.3 percent of the total in the city, with 11.17 billion yuan as registered capital.

According to city sources, a number of foreign consortia are also interested in the city's real estate industry. Most of the overseas investors are from Hong Kong and Singapore. A large investment project by Daewoo of the Republic of Korea is also being negotiated.

New Chang Jiang River Harbor Opens to Foreign Vessels

OW0110020894 Beijing XINHUA in English 0107
GMT 1 Oct 94

[FBIS Transcribed Text] Wuhan, October 1 (XINHUA)—Huangshi Harbor on the middle reaches of the Chang Jiang River was opened to foreign vessels Friday [30 September].

Two 5,000-dwt-class berths with an annual handling capacity of 700,000 tons have been completed in Huangshi Harbor in the east of central China's Hubei Province.

It is the 14th harbor to accommodate foreign vessels on the Chang Jiang River.

Connected with highways and railways into the national transport network, Huangshi Harbor has a convenient transport system. It is about 140 km to Wuhan, capital of Hubei Province, and 980 km to Shanghai.

As an important goods distributing center for Hubei and neighboring Anhui and Jiangxi Provinces, Huangshi Harbor has handled some 100 million tons of freight and transported 80 million passengers over the past 45 years.

It has started shipping routes to more than 80 countries and regions including the United States, Japan, Russia, Indonesia and Hong Kong.

One Million Guangdong Farmers Live in Urban Areas

HK0110083294 Beijing ZHONGGUO XINWEN SHE in English 0503 GMT 1 Oct 94

[FBIS Transcribed Text] Guangzhou, October 1 (CNS)—According to a recent survey conducted by relevant department of Guangdong, farmers of the province are keen on settling in urban areas. Except that they are not registered as permanent residents, they are almost the same as formal city dwellers. Last year such "farmer residents" amounted to over 1.14 million.

Many "farmer residents" have become formal city residents following the opening of grain market as well as the implementation of the policy carried out by more and more cities that residential housing is available for sale to anyone who can afford it. These factors also encourage farmers to work hard to earn more money.

Most farmers are able to find jobs in the cities. 80 percent of them live in cities. They are mainly engaged in industrial, commercial and service sectors, official of relevant department said.

Following the development of market economy and the lift of regional employment restriction policy, many farmers are able to enter cities.

At the moment, such "farmer residents" have accounted for 1.74 percent of Guangdong's total population.

Guangdong's non-farming population has seen a growing trend, increasing by 167,000 last year, a growth rate of 10 percent.

According to the official, farmers living in urban areas have provided abundant labour resources for economic growth, thus enhancing the development of tertiary industry and the urbanization of Guangdong population. However, this is not without adverse effects.

Explosion Hits Rail on Beijing-Guangdong Line

HK0110042694 *Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 30 Sep 94*

[FBIS Translated Text] There was an explosion on the railway track in the Hunan section of the Beijing-Guangdong Railroad Line in the small hours of the morning of 30 September. Fortunately, there were no casualties. An hour after the explosion, the Beijing-Guangdong Railroad Line was back to normal.

At 0328 this morning, No. 56 Train was travelling from Huizhou to Changsha, entering Hunan Province at Pingshi. When it was between Taipingli and Baishilu, the track in front of the locomotive suddenly exploded and the gravel from the explosion smashed the driving cabin glass, slightly injuring the train driver.

After the blast, the railway department sent an emergency team to the scene to rush-repair the track, removing two jin of sleeper logs damaged in the blast. One hour later, the railway line was back to normal. Initial investigations show that the explosion was an act of sabotage. The cause is still being investigated.

Guangdong International Investment Corp. Expands

OW3009134294 *Beijing XINHUA in English 1301 GMT 30 Sep 94*

[FBIS Transcribed Text] Guangzhou, September 30 (XINHUA)—The Guangdong International Trust and Investment Corporation has become the largest local non-banking financial institution in China since its establishment in 1980, according to a corporation executive.

Huang Yantian, general manager of the corporation, said that his company has also become one of China's ten leading "windows" for raising overseas funds.

"My company now serves as one of the largest financing agents in Guangdong Province, one of the largest importers of technology and equipment in Guangdong, and the largest real estate developer in the whole of south China," he said.

He said that his corporation has also become a multi-national enterprise group handling such business as finance, securities, manufacturing, trade, high-tech development, real estate development, hotels, tourism and consultation.

It has opened 54 subsidiary companies and 100 joint ventures in China and the rest of the world, as well as branches in Hong Kong, Macao, Australia, Malaysia, Thailand and the United States.

The value of the corporation's assets, capital and profits soared by 116 times, 148 times and 73 times, respectively, over 1983.

The corporation now trades with 150 financial institutions in 20 countries and regions, Huang said, adding that it has also signed credit agreements with 50 overseas financial institutions.

It has used export credits from Britain, Finland, France, Norway and the United States, he said.

It has also issued corporate bonds in Tokyo, London, New York and Hong Kong, with the Japanese yen bonds totalling 55 billion and the U.S. dollar bonds amounting to 350 million, he said.

The general manager said that his corporation has invested two billion dollars, or 76 percent of the funds it has raised, in the transportation, energy and manufacturing industries in Guangdong.

The corporation now does a variety of business in China, such as the absorption of savings deposits, the issue of corporate bonds, and the trading of stocks and securities, he said.

It has opened securities trading outlets in big cities of Guangzhou, Shenzhen, Shanghai and Shantou, with stocks totalling 20 billion yuan traded, he added.

It has also undertaken 200 real estate development projects in China, including the Guangdong International Building, two residential areas and the Guangdong Economic Development Zone, he said.

These projects have a total floor space of five million square meters, he said, adding that apartments for sale his corporation has built have a total floor space of 3.86 million square meters, enough to house 300,000 persons.

"My corporation has also aided economic construction in underdeveloped areas and special economic zones in Guangdong," he said.

So far, the corporation has invested 600 million yuan in building 200 factories in 25 mountainous areas and 600

million U.S. dollars in the Shenzhen, Zhuhai and Shantou Special Economic Zones.

Guangdong Seminar Studies Treatment of Women Workers

HK3009123294 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1239 GMT 4 Sep 94

[FBIS Translated Text] Guangzhou, 4 Sep (ZHONGGUO TONGXUN SHE)—A provincial seminar on the economic rights of working women convened by the Guangdong Provincial Women's Federation revealed that serious infringements on women workers' labor rights in some "foreign-funded" and township and town enterprises are continuing. Women's rights advocates at the seminar called on society to continue to show concern.

A special investigation conducted by the provincial women's federation through its cities' and counties' counterparts on women's labor rights in "foreign-funded" and township and town enterprises showed that infringements mainly took the form of: High work quotas, long work hours, overtime work, with many women workers working 10-hour shifts. Safety and hygiene standards in some enterprises were poor, many of their workshops doubling as dormitories and warehouses. Living environments in some enterprises were very poor. Migrant women workers lived in rooms measuring less than 1.5 sq m, often without electric power or water supply. Many units did not have a mess hall, and women workers had to endure terrible food. Some enterprises failed to follow the protection laws offered women workers and hired only unmarried women 17 to 23 in age, so they could "fire" them after two or three years' time, saving the "maternal leave" wages. Some enterprises withheld workers' identity cards or wages, demanded collateral money, frisked workers coming to work and getting off duty. There were also physical and verbal abuses, corporal punishments, and some other infringements on women workers' rights as persons. A small number of enterprises delayed and cut workers' wages.

A certain special economic zone recently saw as many as 5,000 complaints involving some 40,000 people and over 6 million yuan overdue in wages or debts. The percentages of workers and employers entering into labor contracts are low. In many cities and counties, less than one third of the labor force are under contract. And many of those contracts were not verified by labor departments and therefore are not valid; the workers' labor rights are not protected.

Seminar participants have proposed measures to concerned departments to strengthen protection of women workers in "foreign-funded" and township and town enterprises.

Guangdong Disciplines Cadres for 'Economic Crimes'

HK3009020694 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 23 Sep 94

[FBIS Translated Text] On the morning of 23 September, 12 higher people's courts and 22 grass-roots people's courts in 34 cities and counties—including Guangzhou, Shenzhen, Jiangmen, and Shantou—held simultaneous meetings to openly pronounce judgment on 146 economic criminals. This was the biggest sentence-pronouncement meeting on economic crimes in Guangdong since December 1993.

Of the 146 economic criminals, 86 were involved in corruption, 45 committed crimes in society, 12 were involved in embezzlement of public money, and three were involved in offering bribes. Nine were executed on that day, with the approval of the Supreme People's Court; 11 were sentenced to life imprisonment; and the rest were given various prison terms. Most of these criminals were convicted of economic crimes amounting to more than 10,000 yuan per case; 23 were convicted of economic crimes amounting to 250,000 to 1 million yuan per case; nine cases amounted to 1 million to 5 million yuan each; and two amounted to more than 5 million yuan each. Of these economic criminals, 45 were cadres from party and government judicial institutions, administrative judicial institutions, and economic management departments; one was a department-level cadre; and six were section-level cadres.

After the meeting, provincial party committee Deputy Secretary Zhang Guoying made a radio and television speech to the people throughout the province on combating corruption.

Subsequent meetings were held in the cities of Shenzhen, Zhuhai, Shantou, Meizhou, Zhongshan, Jiangmen, Yangjiang, Zhaoqing, and Qingyuan to internally pronounce sentence on a number of party-member cadres for seriously violating party discipline and law. Initial statistics show that 93 party-member cadres were given party disciplinary punishments for seriously violating discipline and law; 65 party-member cadres were expelled from the party; and 33 were removed from public employment. Wang Min, director of the Shenzhen City Securities Management Office, was expelled from the party for accepting bribes totaling 90,000 yuan; Shi Baoqing, director of the Jiangmen No. 3 Radio Factory, was removed from his post for losing 330,000 Hong Kong dollars when gambling in Macao. Their cases have been submitted to the relevant judicial department for legal proceedings.

Guangzhou Sets Up Intellectual Property Rights Court

To Increase Court Capability

HK0110071694 Beijing XINHUA Hong Kong Service in Chinese 0908 GMT 29 Sep 94

[By Zhao Wei (6392 4850)]

[FBIS Translated Text] Guangzhou, 29 Sep (XINHUA)—The Guangzhou Intermediate People's Court announced today that, with the approval of the superior court, it had formally set up a special intellectual property rights court.

Guangzhou is a city opening wider to the outside world and seething with more dynamic economic activities than many other cities in the country, so there has long been a need to protect intellectual property rights there. In 1982 and 1988, the Guangzhou Intermediate People's Court heard its first brand-name dispute case and its first copyright dispute case respectively, which had great repercussions in China's legal and economic circles.

Since 1990, with various sectors enhancing their awareness of the need to protect intellectual property rights and all levels of governments gradually looking upon this as an important matter, the number of intellectual property rights cases has greatly increased every year, from a dozen and more cases in 1990 to over 50 in 1992 and 1993, with a spectacular characteristic being the increasing number of industrial property cases and cases involving foreigners.

Deng Guoji, president of the Guangzhou Intermediate People's Court, said that the special intellectual property rights court was designed to increase the court's capability in handling cases related to intellectual property rights, effectively protect the legitimate rights and interests of owners of intellectual property rights, and maintain normal order in the technology and cultural markets.

Intellectual property rights courts were reportedly set up earlier this year in Guangdong [as received], Shenzhen, Zhuhai, and Shantou.

Further on Property Rights Court

OW0110150694 Beijing XINHUA in English 1441
GMT 1 Oct 94

[FBIS Transcribed Text] Beijing, October 1 (XINHUA)—A special court for handling cases involving intellectual property rights has been opened in Guangzhou, capital of south China's Guangdong Province.

This is part of the country's efforts to better protect the owners of intellectual property rights and maintain a good order of the technology and culture markets.

With the sense of intellectual property rights enhanced among the people, the governments at all levels have paid close attention to cases involving intellectual property rights.

According to the new special court, in 1992 and 1993 there were more than 50 such cases in the city, with cases involving foreign parties rising significantly.

Deng Guoji, president of the court, said that the establishment of the special court will facilitate economic

reforms and bring the work in intellectual property rights protection into line with international standards.

Shenzhen Sets Up State, Local Taxation Departments

HK2909145594 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1041 GMT 28 Sep 94

[By reporter Wang Min (3769 2549): "Shenzhen City State and Local Tax Bureaus Founded Today"]

[FBIS Translated Text] Shenzhen, 28 Sep (ZHONGGUO TONGXUN SHE)—In compliance with pertinent decisions of the State Council, Shenzhen has been approved to set up state and local taxation bureaus. Accordingly, Shenzhen City State Taxation Bureau and Shenzhen City Local Taxation Bureau were founded and their signboards put up this afternoon.

Remarkable achievements have been scored by Shenzhen in its tax system reform over the past dozen years, with its tax income increasing substantially every year. Up to 1993, the city's income from of various taxes had reached 6.3 billion yuan. After practicing a new tax system this year, the central and local taxes collected by Shenzhen both increased by a comparatively big margin.

The duty of the newly founded Shenzhen City State Taxation Bureau is to take charge of the collection and management of central taxes, under the direct leadership of the upper-level taxation organ, while the duty of the Local Taxation Bureau is to take charge of the collection and management of local taxes, which is subordinate to Shenzhen city government.

Southwest Region

Chen Kuiyuan Speech at Tibet Plenum

OW3009112594 Lhasa XIZANG RIBAO in Chinese 9 Sep 94 pp 1, 2

[Speech by Comrade Chen Kuiyuan at the closing meeting of the Sixth Enlarged Plenary Session of the Fourth Tibet Autonomous Regional CPC Committee: "Improve Leadership, Perform Actual Deeds, and Open a New Chapter of Modernization on the Snowy Plateau"]

[FBIS Translated Text] Comrades:

The Sixth Enlarged Plenary Session of the Fourth Tibet Autonomous Regional CPC Committee has come to a close today.

More than 500 leading cadres at and above the county level with CPC membership have spent eight days comprehensively and systematically studying the guidelines of the Third Forum on Tibet Work held by the party Central Committee and State Council. They have discussed and adopted the opinions put forward by Comrades Raidi and Gyaincain Norbu on behalf of the

autonomous regional party committee on implementation of the guidelines. Our comrades present at this meeting unanimously hold that the strategic policy decision on accelerating development and maintaining social stability in Tibet is of inestimable immediate importance and far-reaching future significance to Tibet's development, and to our country's long-term peace and stability. The policy decision was made by the party Central Committee and State Council at an opportune time during the new stage of China's socialist modernization in consideration of the nation's overall strategy, after analyzing Tibet's situation.

In their speeches, Comrades Jiang Zemin, Li Peng, and Li Ruihuan applied Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics in analyzing Tibet's new circumstances and solving Tibet's new problems. By so doing, they have made major breakthroughs in theory, political principle, and policy decision. Their speeches clearly pointed out the direction in which Tibet can advance to prosperity and success. Their speeches will also yield an important and lasting impact on the work of the whole party and country. With the Forum as a new starting point, Tibet will surely create a new situation of its socialist modernization—a situation of great vitality, prosperity, and rapid development; and Tibet will certainly become more and more stable with each passing day and lay an even more solid foundation for long-term peace and stability.

All our comrades present at this meeting would like to thank the third generation of collective leadership of the party Central Committee with Comrade Jiang Zemin at the core for its attention to Tibet work and Tibet people. The basic policies laid down by the Third Forum on Tibet Work and other relevant policies and measures have added great vitality to Tibet's economic development and brought great benefits to its cadres and people. The support given to Tibet by fraternal provinces, municipalities, and regions and the unselfish assistance given to Tibet by the people of all nationalities across the country make us experience even more deeply the greatness of the party, the superiority of the socialist system, and the warmth of the great family of the motherland. We unanimously pledge to live up to the concern and expectations of the party and state, and live up to the profound feelings of people across the country. We pledge to do all we can to carry out the policy decisions of this session in the actual work of all prefectures, cities, and departments. Tibet's cadres and people will double their contributions to the country.

This session is a meeting to enhance understanding, unify thinking, boost morale, and firm confidence, as well as a meeting to prepare ourselves to march triumphantly toward our magnificent objectives in the latter part of this century.

While the successful convocation of this session is of great significance, our determination, approach, and actions to implement its policy decisions are even more

important. The central instructions are wise, central policies are preferential, and central support is effective; but we must take care of ourselves and do our own pondering and our own work, instead of waiting until the central authorities and fraternal provinces, municipalities, and regions deliver us ready-made prosperity. All the three central leading comrades emphasized the key to success and rejuvenation of Tibet lies in the leading bodies and backbone leading cadres at various levels. Such emphasis hits the nail on the head. The leading bodies of all party and government organizations at all levels in Tibet, particularly their number one men, should seriously assess the responsibility on their shoulders and hold themselves accountable to the Central Committee, the people, and to history.

Comrades Raidi and Gyaincain Norbu, speaking on behalf of the autonomous regional party committee, expressed our views and determination with respect to implementation of the guidelines of the Third Forum on Tibet Work. In the days to come, we should further our understanding of the central guidelines, and keep revising and perfecting our measures. The two comrades have already discussed the demands and expectations for leading bodies and leading cadres at various levels. I would like to add several more points:

First, we should persist in a long-term study and thorough understanding of the guidelines of the Third Forum, and use them as an ideological weapon and guidance for action in knowing about, changing, defending, and developing Tibet. Premier Li Peng emphasized that Comrade Jiang Zemin's important speech "is the guidance for Tibet work henceforth." We must firmly use the central authorities' new thinking in renewing outmoded concepts and bringing forth new ideas. We should solve problems for the people, satisfy their needs in both material and cultural life, and build an orderly society in which it is easy for the people to become well-off through diligent work and to share common happiness. Such an historic mission is very arduous and there is no pattern for us to follow. If we fail to study hard and understand the correct thinking and line laid down by the Central Committee and refuse to replace old ideas with new thinking, we will be unable to adapt ourselves to the new situation, and to become the promoters of social and historical progress. The CPC in the nineties remains the same CPC founded by Mao Zedong and other revolutionaries of the older generation. However, if all party members stick to the old practice of reading only Chairman Mao's books and stubbornly defend his conclusions, if our thinking remains on the same level as before the Third Plenary Session of the 11th CPC Central Committee, and if we do not arm ourselves with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, our party's fate will not necessarily be better than that of the Soviet Communist Party. If we had not substituted our party's basic line of the new period for the theory and practice of "continuing revolution under the dictatorship of the proletariat," it is inconceivable

that China would not have suffered a decline. While this argument is true for a party or a country, it is also true for an autonomous region, a prefecture, or a county. Tibet's cause today is the continuation of the peaceful liberation, democratic reform, and socialist construction of the last several decades, and particularly the continuation of work since the Third Plenary Session of the 11th CPC Central Committee. However, continuation is not a state of inertia. If we do not make progress or make changes as other parts of the country do, our cause will come to a premature end and discontinue. When we find a good opportunity, we must immediately take it as a new departure point and build a new milestone.

The Third Forum on Tibet Work was none other than a new departure point and a new milestone for Tibet's development.

So long as all party members in Tibet identify themselves ideologically with the guidelines of the Forum and let the people learn about them, we will be able to understand Tibet's overall strategic role and our mission; to proceed from Tibet's reality and successfully uphold the party's basic line; and effectively lead the people in working hard for their own prosperity and happiness, and for the long-term peace and stability of our country.

Second, we should carry out policy decisions in a down-to-earth way. We have repeatedly emphasized the necessity of concentrating on studying and understanding the central authorities' guidance and important policy decision on accelerating development and maintaining social stability in Tibet. The purpose of study is to guide practice and turn what we have studied into material strength.

Clear and definite guiding principles are indispensable to economic development, the anti-splitist struggle, and party building. As soon as we have clear and definite guidance, we should apply it in solving practical problems. All levels, be it the autonomous regional, prefectoral, or county level, should adapt the central guidance to their own reality, rather than copy it indiscriminately. Each prefecture and each county has its own specific situation, strength, weakness, and problems. Different problems need different solutions. Each prefecture and each county should conduct serious investigation and study before deciding on the precedence, objectives, and emphasis of its economic development, where to make breakthroughs, and what the reform measures are. It is necessary to formulate feasible measures for economic development, set objectives for each stage, ensure convergence between stages, and make the overall development systems engineering with greater strategic objectives. The autonomous regional government should formulate autonomous regional plans, and prefectoral and county governments should prepare prefectural and county plans.

Some comrades have asked for a more preferential policy or policies that are more favorably tilted toward their regions. The CPC's policy toward Tibet is already

preferential. It is too bad that some comrades fail to see this. Instead of taking advantage of the policy already in force, they want things to fall into their hands without them having to do any work. They end up failing to take advantage of what they have and will never get the things they wish for. If this continues, we will only waste our time and delay our work, and the people will suffer.

It is understandable that some particularly poor regions may want more assistance. There is nothing wrong with providing assistance, and the deserving should certainly get it. What is more important is that we should learn to stand up and walk on our own. A common feature of many rags-to-rich stories—the transformation from a backwater locality into an advanced example—is that they have an able leading body and innovative leaders who dare to blaze new trails. In two places where conditions are similar, the pace of development could be vastly different if the qualities and attitude of their leaders are different.

We all steadfastly support the CPC Central Committee's guiding principle on safeguarding stability. We are soberly aware that opposing separatism means persisting in the struggle against the Dalai clique that is out to split the motherland. We have enhanced our determination and confidence in fighting the splittist clique. We have gained a clearer understanding of the substance of the Dalai clique's positions, the nature of the struggle, the fundamental principles and policies of the struggle against splittism, and the advantages we have. However, if we, even though we are armed with this understanding, dare not refute a person when he makes separatist comments; if we, in the face of definite separatist activities, dare not take firm, resolute, and prompt action to deal with them, what we will understand will be meaningless and separatism will not be subdued on its own. The CPC Central Committee explicitly stipulates that party members must not hold religious beliefs. The Regional CPC Committee has laid down specific regulations in this regard. This is a political requirement on party members and part of political discipline. Whoever refuses to abide by this will certainly be called to account. A party member must have the moral integrity and image befitting a party member. Party members match their deeds to their words, and think and act in one and the same way. They should dare to and be good at influencing and guiding the masses with their advanced ideas and deeds. Is it not spineless for a party member not to cling steadfastly to communist principles when he hears a sneering remark? Knowing the truth is undoubtedly important but having the courage to uphold it in real life is truly meaningful.

Third, it is necessary to improve the art of leadership. We should be good at identifying the key issues, put our fingers on the right spot, think clearly, and widen our vision so we can see farther and broader. To climb up a ladder, we plant our feet firmly on the ground, hold it with two hands, and look upward. In other words, we should have our feet firmly planted on the ground, keep

a firm grip on policy, and get a clear view. We are, more often than not, used to the idea and style of concentrating on one thing only. We often have only a one-sided view and fail to take a broad view. Consequently, we are typically at a loss whenever some unexpected difficulties come up. We do not know how to take advantage of the favorable policy that has been granted us and we fail to utilize the advantages we have. In addition to tying up our own hands and feet, we frequently grab others' arms and feet to slow them down. The policy the CPC Central Committee granted us is the most favorable you can find anywhere around the country. There is, however, no such thing as a policy that has no limits. We must familiarize ourselves with provisions of the policy so that we can apply them correctly. More importantly, we should become thoroughly familiar with the essence of the policy. The final judgment for implementation of the CPC Central Committee's policy will be whether it helps accelerate economic development, whether it is conducive to social progress, to political stability, to anti-splitist efforts, and to the people's welfare and happiness.

In implementing policy, it is essential to make a correct assessment of the situation and have a definite object in view. In my view, it is over-rigid control rather than economic disorder that is the foremost weakness in the region's economic development. It is precisely for this reason that the CPC Central Committee has relaxed policy restrictions and encouraged us to do whatever we can to enliven the economy. The problems we have in regard to the anti-splitist struggle, in political leadership, and in party building are not over-high requirements or over-restrictive measures; they are rather a lack of vigilance and a failure to implement effective measures. Therefore, we must have a sense of concern and dare to take on and deal with the problems. Rather than being over dynamic or overstepping the bounds, our mindset on reform is stagnant and conservative. Therefore, we must break the shackles imposed on us and have a pioneering spirit. We have not been rash in our actions; instead, we are looking right and left at every step and have let many opportune moments pass. For this reason, we must encourage people to dare to blaze new trails, to try out new things, and to be the first to get on the train. In short, we should look at the policy as a key that will open doors, a guidepost. We should make the most of the policy, using it flexibly and making it yield maximum results. We should, I believe, encourage any undertaking that is not launched to obtain personal gains for individuals but is good for Tibet's development and prosperity. If no one steps out to start such undertakings, there is no hope for Tibet's prosperity.

In the face of the care shown by the CPC Central Committee about Tibet and assistance pouring in from all over the nation, what should Tibet do? This is a question that has to be answered by comrades present at this session. The statements you made at this session are good and this is a good beginning. The more important thing is what actual steps we are going to take. When we

look back in two or three years, we will be able to see that tremendous changes—changes that bring tangible benefits to the people—have taken place in localities where the leadership bodies had a good and correct grasp of policy and seized the opportunity. As party cadres, we should not be preoccupied with personal gains and losses. We will have accomplished great services when, as a result of our efforts, people have gained tangible benefits and our cause has advanced, even though we ourselves are not concerned about who will get the credit. We will have committed unforgivable crimes if we only are interested in acting like overlords, abuse power for personal gains, and make no contributions whatsoever to our cause or to the people, even though we are not called to account. History will bear witness to our accomplishments and failures. Let us bravely shoulder the heavy responsibility entrusted us by history and go all out to make the guidelines of the Third Forum on Tibet Work take root, blossom, and bear fruit. We must repay the CPC Central Committee and people all over the country including Tibet with new achievements in expediting development and maintaining stability.

It is hoped that the prefectures, counties, districts, and the various departments will do a good job in relaying and implementing the Forum's guidelines. The guidelines and policies adopted at the Third Forum represent the integration of the party's theory and line with Tibet's reality. They serve as an ideological weapon that unifies thinking within and without the party, and a guide for our actions. The day party members and people throughout Tibet have a good grasp of the Forum's guidelines will be the day that marks a new, real starting point for Tibet's march toward prosperity and long-term stability. We must see to it that the Forum's guidelines and policies are understood by all party members and other sections of the population as quickly as possible. General Secretary Jiang Zemin said: "We will never allow Tibet to split from the motherland and we will never allow Tibet to remain backward for long." Premier Li Peng said: "We are capable of speeding up Tibet's social and economic development." Comrade Li Ruihuan: "Cadres at all levels and the masses in Tibet should have a clear understanding and take advantage of the situation, rise with force and spirit, unite, and work hard to expedite various work." These instructions could be used as an outline for implementing the Forum's guidelines. It is essential to relay the gist of the Central Committee's voice to the broad masses of people widely, thoroughly, and quickly.

In conclusion, I would like to quote Comrade Li Ruihuan's concluding remarks at the Third Forum on Tibet Work as a manifestation of our determination and confidence. Party organizations at all levels in Tibet must, "under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and under the leadership of the CPC Central Committee with Comrade Jiang Zemin as the core, continue to lead the people of Tibet in their arduous struggle to open a new page in the modernization of the snow-covered

plateau. A thriving and prosperous Tibet will surely rise on the roof of the world in the near future."

Article Blames 'Dalai Clique' for Splittism

Stability 'Prerequisite'

OW0210064394 *Lhasa XIZANG RIBAO* in Chinese 20 Sep 94 pp 1, 3

[By staff reporter Zhao Rengui (6392 0088 6311); "Safe-guard the People's Fundamental Interests—on Stability"]

[FBIS Translated Text] While taking a stroll through Lhasa, the capital of the autonomous region, in the autumn month of September, I saw flowers in full bloom and shady trees lining the streets under the clear blue sky.

The city, which is crisscrossed by wide roads, bristles with modern buildings. There are all kinds of stores offering a wide collection of merchandise to an endless stream of gorgeously dressed customers. When night falls, neon lights flash in the dark....[ellipses as published]

This is a real-life picture of development and stability in the 43 years since Tibet's peaceful liberation.

The 2.3 million Tibetan people, who yearn for a happy life and prosperous future, need social stability; wherein lie the common interests of people of all nationalities.

Nevertheless, the wind will not subside even though the tree may prefer calm.

Destabilizing factors, which originated with the Dalai clique, are hampering the process of economic and social development on the high plateau, and harming the Tibetan people's fundamental interests as they move toward prosperity.

To protect the Tibetan people's fundamental interests, the third central forum on work in Tibet and the Sixth Enlarged Plenary Session of the Fourth Tibet Autonomous Regional CPC Committee adopted an unequivocal policy decision to safeguard the motherland's unity, oppose splittism, and maintain social stability.

Our Struggle With the Dalai Clique Is Not a Question of Believing or Not Believing in Religion, or of Implementing or Not Implementing Autonomy, But A Question of Safeguarding the Motherland's Unity and Opposing Splittism.

Stability is the prerequisite in any country or region that wants to develop its undertakings and bring prosperity to the nation and people. The CPC led 1 million serfs to completely dismantle the feudal serf system, and to proudly and confidently stride into a new world of socialism as the masters of their own country.

In particular, earth-shaking changes have occurred in the Tibetan people's political status and economic and social

lives since reform and opening up, as the Tibetan people have worked for their own prosperity under the loving care of the central authorities and with the support of the entire nation.

Comrades who attended the Sixth Enlarged Plenary Session of the Fourth Tibet Autonomous Regional CPC Committee waxed emotional when they recalled the past and compared it with the present. Comrade Deji Cuomu, deputy secretary general of the autonomous regional party committee, said sternly and forcefully: Did the class of serf owners, who accounted for only 5 percent of the population in old Tibet, ever bring happiness to the Tibetan people? Would Tibet be leading a new life as it does today had it not been for the CPC and socialism? Comrade Akou, secretary of the Nagqu Prefectural Party Committee, pointed out: We should recognize the fact that the Dalai clique is the main source of Tibet's instability and lack of development. Their splittist activities aim to oppose the CPC, negate socialism, undermine ethnic unity, overthrow the people's government, split the motherland, and restore their ruling status in Tibet. Our struggle with the Dalai clique is not a question of believing or not believing in religion, or of implementing or not implementing autonomy, but a question of safeguarding the motherland's unity and opposing splittism.

Stability is the prerequisite for Tibet's rejuvenation, development, prosperity, and growth in strength. Laba Pingcuo, vice chairman of the autonomous regional government, said: To "fish in troubled waters," the Dalai clique promotes splittism and creates confusion and disturbances that will prevent us from single-mindedly pursuing economic construction and further improving people's living standards.

His remark hit the nail on the head. The Dalai clique does not wish to see development and stability in Tibet because it wants to regain its lost paradise. It is the Tibetan people's fundamental interests that its statements and actions will ultimately harm.

During the plenary session, comrades showed a common understanding and firm attitude on this issue, and drew up strong measures. They saw the struggle against splittism as "preserving the gains of the democratic reform" and "continuing during the new period of the struggle launched by 1 million liberated serfs against the three kinds of estate holders [the feudal government, the monasteries, and the nobles]." They explicitly noted: We will never allow the revival of feudal prerogatives, exploitation, and oppression that have been eradicated by history; nor will we allow any individual to undermine unity, hamper development, and split the motherland. Those who defy the law will be dealt with firmly.

We Should Raise the Banner of Patriotism, Properly Carry Out Nationalities and Religious Work, Enhance Ethnic Unity, and Lay a Solid Foundation for Long-term Stability and Peace.

General Secretary Jiang Zemin pointed out: Properly carrying out nationalities and religious work is of cardinal importance to safeguarding stability and promoting development.

In his important speech to the plenary session, Comrade Raidi explicitly stated that in Tibet, a fundamental criterion to judge whether one is patriotic or not is to see whether he firmly opposes splittism, safeguards the motherland's unity, enhances ethnic unity, and helps to develop Tibet's economy.

The words "importance" and "fundamental criterion" set the basic principle for Tibet's nationalities and religious work.

During the plenary session, leading comrades with party membership from various departments and units throughout the region attached great importance to infiltration, instigation, and demagogic propaganda carried out by the Dalai clique through the exploitation of nationalities and religious issues. Soinam Danzim, secretary of the Nyingchi Prefectural Party Committee, said: The third forum on work in Tibet further specified the policies, measures, and tasks regarding our region's nationalities and religious work, and set new and even stricter demands. As long as we implement them fully and constantly build on our results, it is entirely possible to muster all positive factors to serve Tibet's development and stability.

It is no secret that Tibetan Buddhism, as the religion of the Tibetan people, has had a profound influence in Tibet for a long time. Thanks to the party's policy on religious freedom, Tibetan temples still attract large numbers of worshipers, and the faithful are respected and protected. However, in the words of Pingcuo Ciren, president of the Tibet Academy of Social Sciences, the Dalai clique has used its religious influence to launch many inglorious activities to carry out its plot of splitting the motherland. For this reason, we must stress and strengthen education in Marxist-Leninist views on nationalities and religion among the masses.

Comrade Sangzhu, secretary of the Xigaze Prefectural Party Committee, said firmly: This year, our prefecture has openly criticized the splittist Dalai clique to help people fully recognize its political face under its religious veil. We have achieved very good results in this respect.

After hearing the speeches of his comrades, Guo Jinlong, deputy secretary of the autonomous regional party committee, pointed out emphatically: As a form of social practice, religion should, first of all, be allowed to exist and be protected. Second, it must be practiced in a patriotic and law-abiding manner. Third, it should be guided to suit a socialist society. He urged leading cadres at all levels and from all departments to gain a clear understanding of and properly handle the relationship between religion on the one hand and social development and national rejuvenation on the other. First, we should attach great importance to, and fully and correctly implement the party's religious policy. Second, we should strengthen management in accordance with the law and not let things slide.

Ethnic unity is the basic guarantee of stability. The views of comrades who attended the plenary session happened

to coincide regarding the question of how to enhance ethnic unity and follow the principle of "two inseparables" [the Han nationality is inseparable from minority nationalities and vice versa]. They pointed out: The Tibetans and the Hans have long lived in harmony. Tibet's achievements and incipient prosperity since peaceful liberation have resulted from the joint efforts of various nationalities. All kinds of exchanges and cooperation among various nationalities will increase following the establishment of a unified socialist market economic system across the nation. Depending on each other for existence and forging ahead together are the objective requirements for and inexorable trends in promoting economic and social development and progress among various nationalities.

"Giving priority to developing a market-oriented economy" has breathed new life into ethnic unity in the new period.

The Key To Safeguarding Social Stability and Scoring Victory in the Struggle Against Splittism Lies in Self-Construction and Managing One's Own Affairs Well.

During the Sixth Plenary Session of the Fourth Tibet Autonomous Regional CPC Committee, leading comrades who shouldered the heavy responsibility for our region's development and stability unanimously stated: The Dalai clique is the source of instability in Tibet. To safeguard Tibet's stability, however, we should first strengthen ourselves and manage our affairs well. We should shatter the Dalai clique's restorationist dream by building a prosperous new Tibet that will keep advancing.

In his speech, Baima Duoji, vice chairman of the autonomous regional people's congress standing committee, said: To keep the situation stable is the important basis of economic development and prosperity for the people. We must follow the principle of carrying out two tasks simultaneously and paying equal attention to both, and should by no means stress one to the neglect of the other. Lu Huimin, member of the autonomous regional party committee standing committee and director of the autonomous regional party committee's organization department, pointed out: To implement the guidelines of the central forum [on work in Tibet] and safeguard Tibet's long-term stability, we should first cultivate qualified cadres, especially leading bodies at all levels. Leaders at all levels should better recognize the importance of opposing splittism and infiltration; exercise strict political discipline; purify the cadre ranks; maintain a high degree of agreement with the party in ideology, organization, and action; and enhance their fighting power.

In light of the Dalai clique's gradual infiltration into farming and pastoral areas, comrades who attended the plenary session pointed out: We should strengthen ideological and political work in farming and pastoral areas, consolidate grass-roots organizations, teach and guide

the masses to recognize the separatist character of splittist elements so that people will take an active part in the struggle against splittism.

Stability in the capital city of Lhasa plays a decisive role in the entire region. Lhasa city has raised to a new level its efforts to keep the situation stable by fully inspiring the initiative of judicial, procuratorial, and public security personnel and grass-roots units in exercising overall control. At the end of the plenary session, leading comrades of Lhasa city, along with comrades in charge of various prefectures and cities, signed documents with the autonomous region, under which they would be responsible for attaining certain goals in safeguarding social stability through the exercise of overall control. The issuance of the "military order," which was aimed at protecting the Tibetan people's fundamental interests and promoting stability and development, was instrumental in promoting both economic development and social stability.

A thousand sails pass by the shipwreck, and 10,000 saplings shoot up beyond the withered tree [a proverb denoting optimism despite some unfortunate happening]. We are fully confident of scoring a victory.

This is because we possess fundamentally favorable conditions: the party Central Committee's correct leadership and policy decisions; the groundwork laid by the development of various undertakings in Tibet since peaceful liberation; cadres of various nationalities who have gone through rigorous trials, who take firm positions, and who are reliable; the support of the masses and patriots from all walks of life; the strong endorsement of people across the nation; and the powerful people's government and army. Given these conditions, we are assured of a complete victory in the struggle against splittism and in our efforts to safeguard the motherland's unity.

History will attest to this eventuality.

AFP Reports on Article

HK0110042094 Hong Kong AFP in English 0738 GMT
30 Sept 94

[FBIS Transcribed Text] Beijing, Sept 30 (AFP)—Pro-Tibetan independence "cliques" loyal to the Dalai Lama are infiltrating the Tibetan countryside and using religious discontent to stir up separatist feeling, according to top regional government officials.

The TIBET DAILY [XIZANG RIBAO], in its September 20 issue seen here Friday, quoted the officials as warning that "splittists" were using a "religious veil" to promote their push for independence in Tibet and hampering economic development in the impoverished Himalayan region.

"They don't wish to see the development of Tibet, or stability in Tibet and everything they do is damaging the basic interests of the Tibetan People," said Laba

Pingcuo, vice chairman of the Tibet Autonomous Regional People's government.

Wang was addressing a conference in the Tibetan capital Lhasa, attended by all the region's senior government and communist party officials who launched a scathing attack on the Dalai Lama, Tibet's exiled spiritual leader, who fled the region in 1959 after an abortive uprising against Chinese rule.

"The struggle between the Dalai clique and us is not a question of believing or not believing in religion...it is a question of defending the unification of the motherland and opposing splittism," the newspaper quoted one local party secretary as saying.

The conference warned that the clique was "infiltrating the countryside" and called for a strengthening of political and ideological work to counter separatist tendencies. While human rights reports regularly document continued political and religious suppression in Tibet, Beijing has recently stepped up financial aid to the backward region in a further bid to undermine the influence of the separatist movement.

Last week, the government announced plans to pour more than 10 billion yuan (1.15 billion dollars) into Tibet before the end of the century to help the region catch up with the rest of the country.

The Lhasa conference said the Dalai clique was the main source of instability in Tibet, and the chief obstacle to economic and social development.

The 59-year-old Dalai Lama recently admitted that his 14-year strategy of seeking negotiations with China over Tibet had failed and that he was coming under increasing criticism from within the exiled Tibetan community for being too soft on Beijing.

Tibetan People Celebrate National Day

OW0110140194 Beijing XINHUA in English 1331
GMT 1 Oct 94

[FBIS Transcribed Text] Lhasa, October 1 (XINHUA)—The sunshine city of Lhasa was festively decorated today, with colorful flags and banners fluttering over major streets.

All the government institutions, enterprises and schools hang out huge streamers inscribed with the words "Warmly Celebrate the National Day".

The Chinese People's Liberation Army units stationed in Tibet and all schools held flag raising ceremonies, with the singing of national anthem resounding in the air over this capital of the Tibet Autonomous Region.

Residents of Lhasa dressed in their holiday best streamed into major parks and palaces in the city to attend a gala party this morning. Others flocked to the

foot of the Potala Palace to pose for group pictures in front of the magnificent palace which has just been renovated.

On the banks of the Lhasa River were crowded with prayer-wheel turning people, who were praying for their own luck and for the prosperity of the motherland.

"I am over 70 years old," said Wangdui Luobu from a village on the outskirts of Lhasa. "I have seen the biggest changes over the past 40 years."

Luobu Linka was the center stage of the National Day gala party. A dozen performing art troupes from five prefectures of the Tibet Autonomous Region gathered at a theatrical festival.

Singing and dancing were seen also in many other parks in the city.

"Apart from art and theatrical performances by amateur troupes," said Sheizhu Namgyai. "An evening concert will be given and more than a dozen films will be shown."

The National Day celebrations was brought to a climax when thousands of people gathered at a fireworks display party at the Cultural Palace of the Working People in the capital.

North Region

Beijing Executes Criminal 'Guilty of Embezzlement'

SK0210062094 Beijing BEIJING RIBAO in Chinese 22 Sep 94 p 1

[FBIS Translated Text] On 21 September, the municipal intermediate people's court announced the judgment of a number of economic criminals guilty of embezzlement and bribe-taking. Zhang Qingyin, cashier of China Stud Animals Import and Export Corporation, who was guilty of embezzlement, was sentenced to death and deprived of political right for life because his case was particularly serious and involved a huge sum of money. All his personal property was confiscated. Tan Dehui, chief of the financial section of the State Information center, who was guilty of bribe-taking and embezzlement, was punished for committing two crimes, sentenced to life imprisonment, and deprived of political right for life during the first trial. Li Junting, deputy manager of Beijing Haidian Dizhi Rental Car Company, who was guilty of embezzlement, was sentenced to 12 years of fixed-term imprisonment and deprived of political life for two years. Wang Huiwu, former director of the China Railroad Publishing House, who was guilty of bribe-taking, was given a light sentence of four years of imprisonment during the first trial for he confessed his crimes frankly and returned all the illicit money.

Zhang Qing (female) resorted to such means as drawing cash without entering it to the account book and

destroying the cheque stub to successively embezzle public funds totalling 202,900 yuan Renminbi on 22 occasions from February to November 1993. After the occurrence of the case, only 57,500 yuan Renminbi of illicit money was recovered and the rest had been freely spent by Zhang Qing herself.

From October to November 1991, Tan Dehui (female) received 20,000 yuan renminbi in a bribe from the responsible person of the Beijing office of a certain credit cooperative in Hainan Province when she handled a trust deposit of 4 million yuan renminbi for her unit. From December 1991 to September 1993, in the course of borrowing loans for her unit, she abused the power provided by her post to take bribes totalling some 89,400 yuan renminbi. From July to December 1992, she also accepted 10,000 yuan renminbi in bribes from the Liaoning Provincial Information Center and the Mudanjiang city Information Center.

It was proved through the court hearing and investigation that Tan Dehui accepted a total of more than 140,800 yuan renminbi in bribes and embezzled more than 105,200 yuan renminbi. She was punished for committing these two crimes and sentenced to life imprisonment with a deprivation of political right for life.

In April 1993, Li Junting took advantage of the convenience provided by his post to secretly sell 10 "Xiali" cars (which were totally valued at 829,800 yuan renminbi) in the course of helping his unit buy cars from the Tianjin Motor Vehicle Industrial Selling Corporation, and from this he got 999,500 yuan renminbi. Li Junting returned 859,000 yuan to his unit and kept the remaining 139,700 yuan for himself. He was sentenced to 12 years of imprisonment with a deprivation of political rights for two years for the charge of embezzlement.

During his term of office, Wang Huiwu arbitrarily made a decision of making the China Railroad Publishing House provide economic guarantees for Beijing Guanshe Industrial Development Company when it borrowed 4 million yuan in loan from the Beijing Railroad Trade Union. For this reason, he accepted 20,000 yuan renminbi in bribes from Ding Yadi (whose case was handled separately), manager of the Beijing Guanshe Industrial Development Company. Most parts of the loan which he provided economic guarantee were not returned on the date due, which caused serious economic losses. Wang Huiwu was sentenced to four years of imprisonment for the charge of bribery.

Beijing Steps Up Building 'Satellite City'

OW3009083794 Beijing XINHUA Domestic Service in Chinese 0559 GMT 28 Sep 94

[By reporter Wang Jun (3769 6511)]

[FBIS Translated Text] Beijing, 28 Sep (XINHUA)—Construction is being stepped up for Wangjing New

City, a medium-sized satellite city situated northeast of Beijing. A Beijing Municipal Planning Department official said the city's construction is a grand strategic step taken by Beijing to shift its urban construction from the city center to suburban areas. The satellite city's construction will present the citizens with a brand new outlook in Beijing's urban construction in the 21st century. The Wangjing New City, occupying a space of 14 square kilometers, is situated to the north of the Beijing Airport Road and between Northeast Four Rings Road and Five Rings road, which is now at the planning stage and will comprise residential areas, an industrial development zone, and a scientific research zone. The new city is designed for 280,000-300,000 people and has 14 million square meters of construction floor space. Commercial and cultural facilities include economic, trade, and financial organizations; large shopping centers; and museums.

According to the official, the satellite city will become a brand new city that will have a good road system and a full set of infrastructure facilities that are required for a city's functioning. The new city boasts two light-track traffic systems that link with the city center, a telephone bureau with a 150,000-line capacity, two posts and telecommunications branches, an international post office, and 16 natural gas relay stations.

With a total investment exceeding 400 million yuan, the new city has completed building more than 200 hectares of a "starting zone." City builders plan to build 1 million square meters of floor space every year. The city is expected to complete the initial phase of construction by 2000.

Technological Consultancies Flourish in Beijing

OW0210132394 Beijing XINHUA in English 1230
GMT 2 Oct 94

[FBIS Transcribed Text] Beijing, October 2 (XINHUA)—About 2,740 specialized consultancy business firms have so far been registered in Beijing, marking the rapid development of technological consultancy in this capital city.

These consultancy firms mainly fall into such sectors as science and technology, economy, finance, law, taxation and accounting businesses, 70 percent of which involve technological consultancy.

Over the past seven years, the municipality has witnessed marked increase in the number of employees, added value, fixed assets and amount of profits and taxes, with the growth rate surpassing other sectors within the service industry.

To boost consultancy development in the Chinese capital, Beijing municipality has recently mapped out a blueprint regarding the establishment of organizations, training of personnel and overseas operation of consultancy business.

as part of the plan, the municipality has decided to establish an association in technological consultancy as well as a training center for such business. Possibilities are being studied to set up such a speciality in a university, sources said.

According to the blueprint, the Beijing municipal government will encourage consultancy businesses in decision-making, management, legal affairs, overseas businesses and social consultancy.

Inner Mongolia Orders Execution of Many Criminals

SK0310131594 Hohhot NEIMENGGU RIBAO in Chinese 17 Sep 94 p 1

[FBIS Translated Text] On the morning of 16 August, the Hohhot Railway Transportation Intermediate Court and the Jining Railway Transportation Court jointly held an open trial at the Jining Railway Gymnasium to openly try Li Zhong and 24 other criminals involved in a serious group plundering case.

From May to August 1992, on the cargo train running at the Datong-Hohhot section of Beijing-Baotou Railway, Li Zhong and other criminals committed offenses on 44 occasions individually or in group, with the total value of the stolen goods reaching 90,000 yuan in renminbi. Worse still, the wire rod they cast aside while committing the offense broke the carriage connection windpipe of the running train, thus forcing the train to stop halfway for 2.5 hours and causing the serious consequences in that several passenger and cargo trains running on that railway arrived at their destinations behind schedule.

After the open trial, according to the order of executing the death penalty issued by the Inner Mongolian Higher People's Court, the Hohhot Railway Transportation Intermediate Court escorted criminals Li Zhong, Zhang Genhuan, and Zhang Xianglo to the execution ground, where they were executed by shooting.

Inner Mongolia Relays Plenary Session Guidelines

SK0110140794 Hohhot Inner Mongolia People's Radio Network in Mandarin 1100 GMT 30 Sep 94

[FBIS Translated Text] On the morning of 30 September, the regional party committee held a meeting of party-member responsible cadres of regional organs to relay the spirit of the Fourth Plenary Session of the 14th CPC Central Committee. Liu Mingzu presided over the meeting and gave an important speech. Wu Liji, Bai Enpei, Wang Zhan, Wuyunqimuge, Feng Qin, and party-member responsible comrades of major leading bodies—including the regional party committee, the regional people's congress, the regional government and military district, and the regional committee of the Chinese People's Political Consultative Conference—attended the meeting.

The meeting relayed the guidelines of Comrade Jiang Zemin's speech delivered at the fourth plenary session, and the decision of the fourth plenary session regarding several major issues on strengthening party building.

In his speech, Liu Mingzu stated: The Fourth Plenary Session of the 14th CPC Central Committee is an important session of overall and long-term significance. The decision adopted at the plenary session regarding several major issues on strengthening party building is a programmatic document for strengthening and improving party building during the new period. Presently, as viewed from the international situation, the world is orienting itself in diversified poles. We are indeed facing excellent development opportunities and severe challenges. As viewed from the domestic situation, indicated by the important speech of Comrade Deng Xiaoping during his tour to South China and the 14th National Party Congress, our country's reform, opening up, and the four-modernizations drive have entered a new development stage. However, there are many difficulties and problems on the road of advance. The Fourth Plenary Session of the 14th CPC Central Committee has concentrated on the study of party building and decided on certain major issues. This is a wise policy decision for making our party and our country stand invincible in the rapidly changing global and domestic situation.

Liu Mingzu pointed out: The 14th National Party Congress proposed that efforts be made to arm the entire party with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, and to firmly uphold the party's basic line for 100 years; defined the reform objective of building a socialist market economy; formulated the strategic plans to simultaneously grasp the building of two civilizations and attain a level of moderate prosperity by the end of this century; and clearly expounded the historical tasks and guiding principles for strengthening party building and improving party leadership. Following the 14th National Party Congress, the party Central Committee worked out a series of important plans for implementing the guidelines of the 14th Party Congress. Under these circumstances, strengthening party building and making realistic efforts to strengthen the party's organizational construction, while continuously and conscientiously grasping the party's ideological construction and work style, have become important items on the agenda. To meet the needs of the situation, the fourth plenary session has promptly decided on some major issues to strengthen party building. This is an important strategic plan for deeply implementing the guidelines of the 14th National Party Congress; for doing a better job in building our party; for upholding the party's basic line for 100 years without vacillation; and for promoting the progress of reform, opening up, and modernization.

Liu Mingzu pointed out: The fourth plenary session has correctly analyzed the situation of party building, clearly defined the objectives and tasks for party building, and

made a decision on some major issues regarding party building. This is a major guiding principle for strengthening the party's self-construction under the new situation; it is an important measure for enabling our party to unceasingly enhance the level of leadership and of holding office, and to shoulder the historical heavy tasks.

In referring to how to grasp the study and implementation of the guidelines of the fourth plenary session, Liu Mingzu emphatically pointed out: Studying, publicizing, and implementing the guidelines of the fourth plenary session is an important political task of the entire party for some time to come. Party organizations at all levels across the region should attach prime importance to it, adopt practical measures, and grasp this important task firmly and successfully. First, it is necessary to study and understand the guidelines of the fourth plenary session. All units should organize the study of the communique of the plenary session, and on the basis of studying and realizing the guidelines of the plenary session, act in close connection with reality; conscientiously study the party-building issues of their own localities and units; sum up experience; find existing problems; put forward methods for solving them; formulate specific measures for implementing the decision of the fourth plenary session; enable the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee to be realistically implemented in places where needed; push our region's party building to new levels; and promote further improvements in the entire region's reform, opening up, and economic construction.

Inner Mongolia Separates Sub-Regional Level Tax Bureaus

SK0210040394 Hohhot NEIMENGGU RIBAO in Chinese 18 Sep p 1

[By reporter Jian Jun (1696 6511) and corresponds Ding Yin (1353 6892) and Jia Rui (6328 6904): "Inner Mongolia Autonomous Region Completes Separate Establishment of State and Local Tax Organizations"]

[FBIS Translated Text] Up to 10 September, the autonomous region's 12 leagues and cities, one city which enjoys provincial-level planning status, and 100 banners and counties (cities, districts) had all completed the separate establishment of state and local tax bureaus, and the industrial and commercial tax revenue had increased by a large margin compared with last year. On 14 September, the autonomous region convened a regional tax work meeting attended by the persons in charge of the state tax bureaus and local tax bureaus above the league and city level throughout the region, and arranged the tax work for the next few months.

Song Zhimin, deputy chairman of the autonomous region, attended the meeting and made an address calling for the summing up of the experiences in establishing separate organizations, achieving success in a down-to-earth manner in the follow-up task after establishing separate organizations, concentrating efforts

simultaneously on the tasks such as doing a good job in perfecting the tax system reform as well as strengthening the collection and administration of the tax revenue, and ensure the accomplishment of all kinds of tax collection. After the establishment of separate organizations, state tax bureaus and local tax bureaus in the whole region should continue to carry on the spirit of unity and cooperation, do a good job in handing over the task in a down-to-earth manner, and guarantee a normal progress of collecting and administering taxes. At the same time, we should rationalize the working relationship, establish a clear working responsibility system, and bring into full play the new tax system's crucial functions, which are to strengthen the collection and administration, impose a fair tax burden, regulate the economy, and enhance development. While trying all means to raise the economic efficiency of enterprises, we should also achieve success in the task of strictly forbidding tax reduction and exemption. Not only should we forbid the reduction and exemption of the central taxes, but we should also forbid random reduction and exemption of some of the shared taxes which belong to the locality as well as the local taxes. It is imperative to improve the examination and supervision over the implementation of the new tax system, strengthen the administration as well as check of the receipts of the value-added taxes, "administering the taxes by way of receipts," strike relentless blows at all kinds of behaviors of evading taxes, stipulate and perfect all kinds of precautionary measures, and safeguard as well as stabilize a normal tax-collecting order. We should, at the same time, conscientiously clear up the arrears of taxes. To those enterprises and individuals who are capable of paying the taxes but are in arrears with tax payments, we should manage to enforce the law strictly, tighten up the collection and administration, and collect whatever we should collect. Every department concerned should coordinate closely with the tax organizations to achieve success in the task of clearing up the arrears of taxes. For the task of examining and approving the deduction of taxes, we should persist in verifying before deduction, and, according to the volume of input in production and the volume of taxes they have paid, strictly define the reasonable limitation of tax refund. The new financial and tax systems stipulate that individual income taxes, urban land use taxes, value-added taxes on land, and some resources taxes should be left to the locality. It is imperative for the region's local tax bureaus at all levels to take the responsibility in a down-to-earth manner for collecting the local taxes in a thorough, careful, and good manner, bring forth, step by step, a set of scientific and effective systems to collect and administer the taxes, and guarantee the stable growth of the local financial income.

Heavy-Duty Truck Line Operational in Inner Mongolia

OW0110032494 Beijing XINHUA in English 0300
GMT 1 Oct 94

[FBIS Transcribed Text] Beijing, October 1 (XINHUA)—A heavy-duty truck production line has recently

been put into operation in Baotou City of Inner Mongolia Autonomous Region, north China.

The "North-Benz" truck production line, the first of its kind in China by introducing German technology, is able to turn out 6,000 heavy-duty trucks a year in more than 20 types, including dump trucks, oil trucks and container trailers.

Costing one billion yuan (about 116.3 million U.S. dollars), the production line makes the North-Benz Truck Manufacturing Company China's third largest heavy-duty truck production base.

Shanxi Province Uses Foreign Funds To Improve Ecology

OW0110032594 Beijing XINHUA in English 0244
GMT 1 Oct 94

[FBIS Transcribed Text] Taiyuan, October 1 (XINHUA)—North China's Shanxi Province has used a fund of 50 million U.S. dollars from world financial institutions to improve its ecological environment over the past few years.

According to local agricultural officials, the construction of a water control project and other 3,923 projects for tackling soil erosion in the northwest of the province, which were financed with loans from the World Bank, is now in full swing.

Known as one of the less developed provinces in the country, Shanxi has suffered from severe soil erosion due to its bad ecological environment.

The total investment in the water conservancy projects in the loess plateau totaled 540 million yuan, including 38.8 million U.S. dollars from the World Bank. The projects went into effect in September this year and will be completed in a period of eight years.

The 3,923 projects in the Luliang mountainous region of northwest Shanxi cover an area of 1,846 square kilometers, including Linxian, Lishi and Zhongyang counties. When completed, they will benefit a total 248,000 local farmers.

The joint United UN/FAO [Food and Agricultural Organization] World Food Program rendered a free aid of 12.238 million U.S. dollar worth of wheat. And the local government also channeled 58 million yuan into the projects which are expected to go into operation in September, 1997.

Tianjin Secretary Speaks on CPC Plenum's 'Spirit'

SK0210040294 Tianjin People's Radio in Mandarin
2300 GMT 29 Sep 94

[FBIS Translated Excerpt] On the morning of 29 September, Comrade Gao Dezan, secretary of the municipal party committee, sponsored an enlarged session of the municipal party standing committee to relay and

study the spirit the fourth plenary session of the 14th CPC Central Committee. The participating comrades unanimously expressed that efforts should be made to resolutely support the communique of the fourth plenary session, the decision made by the CPC Central Committee with regard to scoring great and important achievements in party building, and the important speech given by General Secretary Jiang Zemin. They also expressed that a good job must be done in relaying, studying, and implementing the spirit of the fourth plenary session and in further enhancing and improving the party building so as to upgrade the municipal work in party building to a new level. [passage omitted]

Comrade Gao Dezhan voiced his opinions on relaying and implementing the spirit of the fourth plenary session. He stated: Currently, it is imperative to concentrate efforts on doing a good job in relaying, studying, and implementing the spirit. According to the demands of the CPC Central Committee, we should engage in studying and relaying it. Efforts should be made to organize leading cadres at all levels and all party members to earnestly study the spirit of the fourth plenary session and to integrate the study with that of Comrade Deng Xiaoping's theory on party building. In studying the spirit, we should earnestly dig into the documents; deeply learn about the spirit; continuously deepen our understanding; and unify our thinking with the spirit of the fourth plenary session. Through the study, we should further upgrade our understanding on the importance and emergency of enhancing the party building under the new situation. Efforts should be made to deeply understand and to uphold or perfect the democratic centralism, to enhance and improve the party organizational construction at the grass-roots level, and to stress the importance on training and selecting leading cadres with both ability and morality. We should earnestly implement the overall arrangements made by the CPC Central Committee for enhancing the party building and know well the guiding ideology, targets, tasks, working guidelines, and important measures for the party's organizational construction. We should also summarize our experience; find out our shortcomings; and define the tasks of enhancing the party building for our locality, front, and unit. Efforts should also be made to define specific opinions on implementing the decision.

Gao Dezhan clearly pointed out: Implementing the decision adopted at the fourth plenary session and doing a good job in building up the party represent a new and great project formulated under the leadership of the CPC Central Committee with Comrade Jiang Zemin at the core. Party committees at all levels must attach great importance on the project. By studying and implementing the spirit of the fourth plenary session, they should implement the decision in an overall way and further promote the party building throughout the municipality. By regarding as an impetus the study and implementation of the spirit of the fourth plenary session, we should bring into full play the combat-fort role of party organizations and the vanguard and model role

of Communist party members. Continuous efforts should be made to push forward the programs of reform, opening up, and modernizations, and to fulfill or over-fulfill in an overall way the working tasks and targets of this year. He stressed: The municipal party as a whole must respond to the call issued by the fourth plenary session, rally even closely round the CPC Central Committee with Comrade Jiang Zemin at the core and further enhance and improve the party building under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and under the guidance of the party's basic line. It must also reinforce the party's cohesion and fighting strength as well as unite with and lead the people throughout the municipality to strive to win a new victory in reform, opening up, and modernization.

Tianjin Takes Measures To Stabilize Prices

SK0210040794 Tianjin TIANJIN RIBAO in Chinese 15 Sep pp 1, 2

[By Chai Yanbin (2693 1365 6333): "Tianjin Stipulates Eight Measures To Further Stabilize Commodity Prices in Markets"]

[FBIS Translated Text] As was learned from the 14 September commodity prices work meeting, currently Tianjin's commodity prices are basically stable, and the tendency of some prices of the farm and sideline products rising too fast was initially checked. However, the increase rate of the general price level is still on the high side, and the latent threat of price rebound still exists. Therefore, Tianjin's price departments stipulated eight measures to further improve the administration of commodity prices in an effort to effectively check inflation, stabilize commodity prices, and put into effect the spirit of the national television-telephone price work conference, which was convened by the State Council, and the requirements of the plans made by the 30th executive meeting of the municipal government.

1. We should get a clear understanding of the situation and take stabilizing commodity prices as the primary task. Price departments at all levels should conscientiously take concrete steps to carry out the spirit of the national television-telephone price work conference; do a good job justly and forcefully in administering and supervising commodity prices with a high sense of political responsibility; take it as the primary task to check inflation and stabilize price rises and pay close attention to it; make great efforts to keep the prices of people's daily necessities basically stable; and create good conditions for economic development and social stability.

2) We should have a good control over the commodity prices and the charges of services fixed by the state. For all the products and services which are under the state's administration, we should strictly put into effect the prices and standards of charges stipulated by the state. As for the commodity prices, real estate prices, fees

collected from foreign nationals, operational fees, construction fees, and administrative fees which are under the administration of Tianjin, we should strictly carry out the prices and standards of charges stipulated by the municipal commodity price bureau. For those charges which are canceled by the State Council and the municipal government by formal decree, we should resolutely put the decree into effect. We should safeguard the authority of the state in fixing prices, improve the task of supervising and administering prices, and resolutely stop the behaviors of exceeding one's power to raise prices. Strictly following the requirements of the State Council, no area, no department, and no unit is allowed to issue new measures to adjust prices this year without authorization; and raising prices in other forms is also not allowed. For those measures which have been issued to adjust prices, we should continue to control their chain reactions. For those reform measures which directly or indirectly push the prices up, the opinions of price departments should be solicited in advance, and the reform measures should be reported to the municipal government for examination and approval.

3. We should strengthen the guidance as well as administration to the prices that have been decontrolled and restrain the markets from raising prices spontaneously. Price departments at all levels should conduct proper management of the prices and charges which are decontrolled. Especially to the prices of grains, edible oil, meat, eggs, vegetables, and important fees, which are closely related to people's life, price departments should increase impetus to regulate them and to keep them stable on the whole. The standard flour and the Biao No. 2 polished long-grained nonglutinous rice supplied by the state-owned grain shops should be sold at the prices stipulated by the state, while the rice purchased by the grain shops themselves should be priced and sold 8 percent higher than the buying prices. The price of the retail edible oil should be 14 percent higher than the wholesale prices. Based on a reasonable wholesale price for pork, we should stipulate guidance retail prices for different parts (including bones and skin) which are less than 30 percent higher than the wholesale price. For eggs, we should continue to maintain the retail price ceiling of 3 yuan per 500 grams. Following the "temporary measures for administering Tianjin vegetable price differences between wholesale and retail prices," which is going to be promulgated by the municipal government, we should stipulate the guidance retail prices of the main varieties. The standards of charges which are closely concerned with the lives of the masses, such as that of the nurseries and kindergartens, should all be kept stable at the current level. In order to check the inordinately large increase in the prices of the masses' daily necessities, when necessary, the price ceilings sanctioned by the municipal government may be implemented.

4. We should strengthen the inspection of the commodity prices and carry out strictly the price supervision system. We should consolidate the units to inspect prices

and continue to achieve success in tracing and monitoring 142 kinds of important commodity prices. For the price fluctuation of the 28 varieties, which are subject to monitoring, it is imperative to follow the stipulation to carry out the system of examination and approval, reporting to a higher body, and putting it on record. Those who violate the inspection system and raise the prices as well as the standards of charges without authorization should all be investigated and handled strictly.

5. Supervision of commodity prices should be strengthened, and the order of the commodity prices should be rectified. We should actively coordinate with the comprehensive rectification task of the circulation field in an effort to unfold a large-scale examination on prices. The key points of the examination are the prices of the people's daily necessities, services, and means of agricultural production. At the same time, the examination of the fees collected by education, medical treatment, electric power, railways, and post and telecommunications departments should also be improved.

Currently, we should concentrate our efforts to launch a large-scale examination of market prices during the days between the Mid-Autumn Festival and the National Day. We should inspect the implementation of the price policies on staple and nonstaple foods, such as grains, oil, meat, eggs, and vegetables. We should, according to the law, investigate and handle strictly those who raise, without authorization, the prices as well as the standard of charges which are fixed by the state; who buy up illegally important commodities and resell them at a profit; who violate regulations of price inspection for not fulfilling the procedures of reporting to the higher body and putting on record before raising prices; who raise by themselves the difference rates between the buying prices and the marketing prices and the difference of rates between the wholesale prices and the retail prices; who sell commodities at prices that exceed the stipulated prices, guidance retail prices, and the ceiling prices; who create items of fees without authorization; who broaden the scope of charges, and raise standards of charges at will; and who, instead of selling at marked prices, manipulate markets to drive up prices.

6. We should speed up the legislation concerning prices to realize step by step management of prices by law. In the near future, we should stipulate as soon as possible the "detailed rules and regulations to check the behaviors of reaping staggering profits by means of prices" and strive for implementing them along with other stipulations concerned, which are going to be promulgated by the state. We should continue to carry out in the whole municipality the system of selling at marked prices, insist in inspection with unremitting efforts, and strike relentless blows at behaviors which are against the stipulations of selling at marked prices to cheat consumers.

7. It is imperative to bring into play the function of supervision by the masses as well as by public opinions. We should make a further step to strengthen and perfect

the systems under which people's congress deputies and the members of the Chinese People's Political Consultative Conference inspect the commodity prices and voluntary price supervision organizations of staff members, workers, the masses check up the commodity prices. We should mobilize all walks of life in society to assist price departments to do a good job in the comprehensive administration of the commodity prices. We should enhance the transparency of the management of commodity prices, publish through the news media the prices and the service charges fixed by the state, make public the ways of fixing the prices of some important consumer goods as well as their guidance prices, and make the broad masses of managers and consumers understand the price policies concerned.

8. We should closely coordinate with the departments concerned to put into effect measures to stabilize prices. Price departments at all levels should, under the guidance of the party committees and governments at the same level, go all out to achieve success in administering as well as supervising commodity prices and perform to the fullest the function as the main force for stabilizing commodity prices. We should, on our own accord, coordinate closely with the departments responsible for production and management to improve the link between production and marketing, achieve success in negotiating prices, be good advisers to fulfill all the measures to stabilize prices, and do a good job in services. We should continue to develop the activities to make industrial and commercial enterprises' "commodity prices and measurement trustworthy" and upgrade enterprises' self-restraint over prices. The price examination organizations at all levels should continue to cooperate with departments, such as industry and commerce, technological supervision, and public security departments, to achieve success together in supervising as well as inspecting commodity prices and protect the legal rights of managers and consumers.

Satellite Town Rises Around Tianjin's Dagang Oilfield

OW0310020794 Beijing XINHUA in English 0130
GMT 3 Oct 94

[FBIS Transcribed Text] Tianjin, October 3 (XINHUA)—A petrochemical satellite town has emerged 50 km southeast of the downtown areas of this city on a wasteland.

The Dagang District, named after the Dagang oilfield which was found in the mid-1960s, has now become a new industrial center of Tianjin, the most important port city in north China.

With a population of 300,000 and 10 billion yuan worth of fixed assets, the satellite town focuses on oil and petrochemical production based on its oil resources.

Over the past 15 years, the Dagang oilfield has produced a total of 53.1 million tons (372 million bbl) of crude oil.

Its annual output reached four million tons (28 million bbl) last year, twice the 1979 figure.

The Tianjin Petrochemical Corporation, set up in the district in 1983, has turned out a grand total of 20 billion yuan in industrial output in the past decade. Its annual output value has reached 2.7 billion yuan, an increase of 1.5 billion over 1983.

In the satellite town, a power plant has been set up, generating an annual of four billion kWh of electricity [sentence as received]. An ethylene project with a total investment of four billion yuan is now under construction, expecting to produce an annual of 140,000 tons of ethylene after its completion next year. [sentence as received]

Construction of a polyester project, costing 10 billion yuan, has also started, expecting an annual production of 200,000 tons of polyester upon its completion.

The city planners has set the following goals for the Dagang satellite town: an annual output of 10 million tons (73 million bbl) of crude oil, one million tons of ethylene and 500,000 tons of polyester; and capacity of refining 15 million tons of oil annually.

Northeast Region

Heilongjiang Province Completes Two Tax Departments

SK0110142994 Harbin HEILONGJIANG RIBAO in Chinese 18 Sep 94 p 1

[By Jiang Jinghe (3068 0064 3109): "Heilongjiang Successfully Completed Building Two Tax Organs"]

[FBIS Translated Text] As of 15 September, 14 cities (prefectures) and 68 counties (cities) across the province had completed the work of building two tax organs—the state tax bureau and local tax bureau.

The State General Administration of Taxation and the provincial party committee and government have attached prime importance to and provided effective leadership for the work of building the two tax organs. The provincial group for coordinating the separate establishment of tax organs, formed by relevant leaders of the provincial government and responsible persons of relevant departments, effectively conducted coordination and preparatory work and effected a smooth transition of splitting the provincial-level tax organs. After the establishment of the province's state tax bureau and local tax bureau, the two bodies took active and reliable steps to organize the implementation of provincial plans for establishing the state tax and local tax organs, which were approved respectively by the State General Administration of Taxation and the provincial government.

In the principle of "splitting the tax organs first and improving them later," our province adopted the method of first determining the leading bodies from

higher to lower levels, then transferring the personnel and sharing the property while carrying out the work of splitting the tax organs. Tax collectors at all levels were transferred to the state tax bureau and local tax bureau in a ratio of 6 to 4. Some personnel were transferred in line with their professional work, some were distributed in line with the scope of the professional and organizational system, and personnel of departments in charge of comprehensive work were distributed in proportion. In the distribution of personnel, we made overall plans and took all factors into consideration; tried to do things beneficial to this work; arranged all sorts of personnel in rational proportions; and avoided nepotism. Thanks to such reliable methods, the entire work of splitting the tax organs was carried out in an orderly manner.

In the course of splitting the tax organs, we conscientiously implemented the demand put forward by the provincial leaders on "strengthening two aspects" (strengthening both the state tax and local tax organs), and gave simultaneous consideration to the installation of leading bodies, the transfer of personnel, and the distribution of property. State tax and local tax bureaus at all levels kept the entire situation in mind, breaking with selfish departmentalism. Most top leading posts of the local tax bureaus of 14 cities (prefectures) and 68 counties (cities) were undertaken by leading back-bone cadres of the original tax bureaus. The province's 21,600 tax personnel were distributed in line with set proportions so that those who were transferred to the state tax bureau enjoyed ease of mind, and those transferred to the local tax bureaus were happy.

Presently, our province has completed the separate establishment of the two tax organs. The provincial state tax bureau and provincial local tax bureau are now organizing city and county state tax bureaus as well as local tax bureaus to fix the functions, personnel size, and internal organs while making continued efforts to grasp the unfinished tasks of the splitting in an effort to realize normal operation as quickly as possible and to meet the needs of the tax revenue work.

Heilongjiang's Shuangcheng Gets TV Broadcast Station

SK2909124594 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 28 Sep 94

[FBIS Translated Text] With the approval of the Ministry of Radio, Film, and Television, Shuangcheng established a television broadcasting station on 28 September. Meanwhile, the city's cable television broadcasting systems were put into full operation. This represents one of 13 practical deeds intended by the city party committee and the city people's government for this year. The city's television broadcasting station will undertake its major task of relaying programs from central and provincial television broadcasting stations and of broadcasting self-produced programs. It will saturate the people's demand for news, information, culture, and recreation. The city cable television broadcasting systems will spend 10

hours every day relaying through 14 channels those programs from the Central Television Broadcasting Station and television programs transmitted by a number of provinces.

Liaoning Plans Growth of Township Industries

OW3009131894 Beijing XINHUA in English 1254
GMT 30 Sep 94

[FBIS Transcribed Text] Shenyang, September 30 (XINHUA)—Liaoning Province in northeast China has drawn up a plan to make itself a rural industry giant by the end of this century, according to the provincial government.

A provincial government official said that according to the plan, output value of township-run enterprises in Liaoning, China's leading heavy industrial production center, will soar to 800 billion yuan by the year 2000, quadruple this year's figure.

That figure will more than double the output value of state-owned businesses in 1994, he said.

Output value of rural industries in Liaoning is projected to rise at annual rate of 21 percent over the next six years, the official said.

The proportion of gross profits generated by township-run factories in their output value is expected to rise to 14 percent by the end of this century from 10 percent, he said.

Meanwhile, the number of counties and county-level cities with rural industrial output exceeding five billion yuan annually will increase to 20, he said.

The number of rural enterprises with an annual output topping 100 million yuan a year will rise to 20, he added.

The official said that businesses in the service sector will account for 40 percent of new rural enterprises to be set up over the next six years.

Meanwhile, 100 towns and small cities will spring up throughout Liaoning Province to absorb an increasing number of rural labor.

Northwest Region

Gansu Becomes 'Key Power Producer' in Northwest

OW0110091494 Beijing XINHUA in English 0851
GMT 1 Oct 94

[FBIS Transcribed Text] Lanzhou, October 1 (XINHUA)—Gansu Province has become a key power producer in northwest China by making full use of its natural resources to boost power industry.

The province has a total generating capacity of 4,035 million kilowatts, up from 1,792 kilowatts in the early

1950s. Its power generating capacity and output account for more than one half of the northwest China's total respectively.

Gansu, of which the water power resources rank tenth place in the country, began to build three hydroelectric power stations along the Yellow River [Huang He] around the 1960s.

The Liujiaxia, Yanguoxia and Bapanxie Hydroelectric Power Stations have generated a combined 168 billion kilowatt-hours worth of 11.037 billion yuan so far.

With a storage capacity of 5.7 billion cubic meters, the Liujiaxia Reservoir has not only helped reduce flood disasters in this China's second largest river after the Chang Jiang river during the flood season, but also provided 800 million to 1.2 billion cubic meters of water to irrigate 1.05 million hectares of farm crops in Gansu and the Ningxia Hui and Inner Mongolia Autonomous Regions in spring.

Abounding in coal reserves, Gansu's thermal power industry is also flourishing, and its power generating capacity tops 1.934 million kilowatts.

The Xigu Thermal Power Plant has made great contribution to petroleum, chemical, machinery, non-ferrous metals and national defense industries in Lanzhou area over the past three decades and more. It has also trained more than 1,000 specialists and technicians for dozens of power plants in the province.

Since 1971 when Gansu began to transmit power to Qinghai Province, its central power grid has developed into a key part of the northwest China's power grid.

The province's 10,500-kilometer long power transmission lines are sending electricity to all industries and households.

At present, the power grid covers 86.26 percent of Gansu's rural areas and farmers in many areas irrigate farm crops with motor-driven pumping stations.

Xinjiang Congress Standing Committee Begins Session

OW0110123094 Urumqi XINJIANG RIBAO in Chinese
20 Sep 94 p 1

[FBIS Translated Text] The 10th session of the Eighth Xinjiang Autonomous Regional People's Congress Standing Committee opened in Urumqi yesterday.

Amudun Niyaz, chairman of the Xinjiang Regional People's Congress Standing Committee, presided over yesterday morning's meeting.

The meeting first approved the 10th session's agenda. Abduhadir Ushir, chairman of the Legislative Affairs Committee of the Regional People's Congress Standing Committee—entrusted by the Standing Committee's chairmanship meeting—then explained Xinjiang's procedures for implementing the PRC Law on Safety in

Mines, the Trade Union Law, and the Water and Soil Conservation Law; and explained the report on the results of the examination of the Revised Draft of the Xinjiang Autonomous Regional Regulations on the Management of Statistical Work. Entrusted by the chairmanship meeting, Ma Cunliang, vice chairman of regional people's congress standing committee, explained the Xinjiang draft procedures for implementing the PRC Law Protecting Women's Rights and Interests. Entrusted by the regional people's government, Zhao Jizhen, secretary of the party group and deputy director of the regional industry and commerce administration bureau; Zhang Yicheng, deputy director of the regional standardization bureau; and Amannula, deputy director of the regional Overseas Chinese affairs office, made explanations respectively on the draft revision to Xinjiang's procedures for implementing the Law on the Protection of Consumers Rights and Interests, on Xinjiang's draft regulations on product quality supervision, and on Xinjiang's draft procedures for enforcing the Law on the Protection of the Rights and Interests of Returned Overseas Chinese and Their Families. The meeting also examined a written report on Urumqi city's provisions on the management of the selling and setting off of fireworks and firecrackers.

Those attending the meeting included Ji Fuping, Hederbai, Yusufu Muhanmode, Turbayir, Xu Peng, Ma Cunliang, Xie Hong, Hu Jihan, Hakemofu, and Amina—all vice chairpersons of the regional people's congress standing committee—and Shishiti Ismail, secretary general of the regional people's congress standing committee. Those present at the meeting as observers included Wang Yousan, vice chairman of the Xinjiang regional government; Mijiti Kurban, chief procurator of the regional people's procuratorate; and persons in charge of the regional higher people's court. Also present at the meeting as observers were persons in charge of the general office, the office of investigation and research, and all standing committee committees; persons in charge of some prefectural people's congress standing committees and people's congress work committees; some National People's Congress deputies who were in Urumqi; and people in charge of some regional people's government departments and bureaus. People in charge of some democratic parties and civic bodies were present at the meeting as visitors.

On the afternoon, all session groups began to deliberate on the various draft laws and regulations.

Xinjiang Stresses More Education of Ethnic Groups

OW0310134694 Beijing XINHUA in English 1234
GMT 3 Oct 94

[FBIS Transcribed Text] Beijing, October 3 (XINHUA)—The Xinjiang Uygur Autonomous Region, northwest China, has given priorities to the development of education in the areas inhabited by people of various national minorities.

The autonomous regional government has worked out preferential policies in funds and other aspects to ensure the needs of developing education for the people of national minorities.

The enrolment rate of school-age children of ethnic groups has reached 96.7 percent, and 85 percent of national minorities peasant farmers and herdsmen have now learned how to read and write.

In the region's 7,088 primary and middle schools, there are 1.47 million students of national minorities, making up 72 percent of the total.

At present, some six ethnic minorities use their own languages in teaching, involving a total of 5,089 such schools in the region.

The region has also set up various teachers' schools to meet the development needs of education, and 191 TV education program broadcasting centers in the remoted areas.

More than 400 boarding primary and middle schools have been set up in pastoral areas and they have taken in some 130,000 students.

Moreover, the region has set aside 2 million yuan (about 250,000 U.S. dollars) annually in recent years to develop the nine-year compulsory education in the relatively backward areas inhabited by these people of ethnic groups.

Xinjiang Employing More Ethnic Groups

OW0210163894 Beijing XINHUA in English 1545
GMT 2 Oct 94

[FBIS Transcribed Text] Urumqi, October 2 (XINHUA)—An increasing number of herdsmen of national minorities have plunged themselves into markets in

northwest China's Xinjiang Uygur Autonomous Region, taking up the steelyard and putting off whips and goads.

At present, half of the 280,000 self-employers of the region are ethnic group people and over 10 percent of the 3,000 private enterprises are owned by national minority people.

With a predominant composition of Uygur people, the region has 12 national minorities as Kazak, Mongolia and Hui, who traditionally live a nomadic life.

As the country is shifting from planned economy to market economy, many nomadic people take off the horse back and start to engage in businesses.

As the people of ethnic Uygur and Hui groups have a long history in doing businesses, they are more ambidextrous in the tiding ocean of market competitions. Some Uygur people take up the trades of catering trade and transportations, and some others go in for running factories.

As more and more tourists flow in the autonomous region which is abundant in beautiful sites of natural scenery and historical relics, many local ethnic people earned money by serving as guides to the tourists.

These ethnic people not only do business in Xinjiang but also go to settle in large cities across China, such as Beijing, Shanghai, Guangzhou, Shenzhen and Haikou, by running ethnic-style restaurants and shops.

To encourage the people of national minorities in the autonomous region to be involved in market economy, both the central government and local regional government have worked out preferable policies to their advantages.

Taiwan Diplomats Must Leave Hong Kong After 1997

*HK0310052694 Hong Kong LIEN HO PAO in Chinese
3 Oct 94 p 1*

[By staff reporter in Beijing: "All Taiwan Diplomats Must Leave Hong Kong After 1997"]

[FBIS Translated Text] According to a report from Beijing, the CPC higher leadership has made representations to the British side about the recent case whereby the Hong Kong Government allowed a Taiwan agency in Hong Kong to lease the Hong Kong Cultural Center as the venue for celebrating the 10 October National Day. The Chinese side has demanded that the Hong Kong Government revoke the lease contract.

Meanwhile, the CPC higher leadership has issued an important instruction on the relationship between Taiwan and Hong Kong after 1997. By this instruction, Taiwan's agencies in Hong Kong will not be allowed to organize any activities to celebrate the 10 October National Day after 1997. By then, all agencies of the Taiwan Foreign Ministry and their staff must pull out from Hong Kong and the 123 Democratic Alliance, a Hong Kong local political group, will be brought under control in black and white.

The CPC General Secretary Jiang Zemin at a recent meeting strongly accused the Taiwan Government of actively conspiring for "two China's" in the international political arena. And the Hong Kong Government, in giving the green light to the celebration of the 10 October National Day at the Hong Kong Cultural Center this time, is conniving with Taiwan agencies in Hong Kong.

Jiang Zemin maintains that agencies of the Kuomintang [KMT] Foreign Ministry in Hong Kong must withdraw from Hong Kong in 1997 and other agencies will then have to keep a lower profile than the role they are playing at present. The CPC higher leadership also noted that the Taiwan Government will not be allowed to manipulate political organizations or election affairs in Hong Kong.

Beijing has also shown extreme concern about the recent district board elections in Hong Kong, believing that the KMT-supported 123 Democratic Alliance's participation in the election implies Taiwan forces' involvement in party politics in Hong Kong. After 1997, the special

administrative region [SAR] government must impose some restrictions on the role of the 123 Democratic Alliance to prevent the expansion and spreading of KMT influence in the SAR.

It is said that the Hong Kong Government has turned down Beijing's demand, refusing to intervene in the case to "stop the celebrations of the 10 October National Day at the Cultural Center." Instead the government has decided to let the Urban Services Department use its own discretion. As the 10 October National Day is drawing nearer and nearer, the dispute between the Chinese and British sides on this issue of celebration venue is escalating. The mainland Chinese Foreign Ministry has hinted that it would seriously hurt Sino-British relations if the British Hong Kong Government was bent on having its own way.

The Beijing higher leadership pointed out that the various spiteful policies that the British Hong Kong Government has adopted in Hong Kong have made the Hong Kong issue more complicated, which fully exposes the British Government's colonialist mentality. If the British Hong Kong Government intends to counter China with Taiwan forces, in the end it will find out that it "has lifted a rock only to drop it on its own feet."

Hainan Attracts Strong Taiwan Investment

*OW0110090994 Beijing XINHUA in English 0800
GMT 1 Oct 94*

[FBIS Transcribed Text] Haikou, October 1 (XINHUA)—Hainan, China's largest special economic zone, is attracting strong investment of business people from Taiwan.

According to statistics, Taiwan's investment ranks second in Hainan. Of the nearly 1,000 Taiwan-funded projects in Hainan, 12.9 percent are involved in agriculture, 48.9 percent in industry and 38.2 in services.

To draw the interest of more Taiwan investors, the Hainan provincial government, in line with its actual conditions, has focused on cooperation in agriculture and marine industry with Taiwan, which happened to hold the same view.

Both Hainan and Taiwan people agree that the cooperation will benefit both sides and supplement with each other.

President Li Says China Blocking Hopes for Meeting

OW0310084794 Taipei CNA in English 0750 GMT 3 Oct 94

[By Simon Myers]

[FBIS Transcribed Text] Hong Kong, Oct. 3 (CNA)—Republic of China [ROC] President Li Teng-hui has said that Beijing's efforts to block him from attending international gatherings have thwarted an "ideal" opportunity to hold talks with Mainland Chinese leaders.

In an interview with the ASIAN WALL STREET JOURNAL published Monday [3 October], Li revealed that he had hoped to meet with a senior mainland leader at the Hiroshima Games, which opened on Sunday, or at next month's summit of Asia-Pacific heads of state in Indonesia.

"The APEC meeting in Bali might be perfect. If I am there and (Mainland Chinese President) Jiang Zemin is there, I could meet and say, 'Hi. How are you? How about some talks'," Li was quoted as saying.

"If Jiang Zemin would like to propose a meeting at that time, that sort of context is quite all right," Li added.

While noting that it is unlikely he will be allowed to go to the APEC summit, Li told the paper that he remained determined to seek a higher international profile for his country.

"We need to have room for international activity. Our pragmatic diplomacy will continue," he said. President Li said the recent uproar over the Hiroshima Games, which opened with ROC Vice Premier Hsu Li-te in attendance despite Chinese objections, "definitely" proved to be to Taipei's advantage.

"I think you could say that 60 to 70 percent of the ordinary Japanese can see that the Chinese communists are being quite unreliable. There has been no harm done to the Republic of China," he said.

According to President Li, the real damage from Beijing's efforts to block ROC diplomatic initiatives was done in Taiwan, where attitudes towards the mainland have hardened.

He noted that since the murder of 24 Taiwan tourists on the mainland last March there has been a slowdown of Taiwan investment on the mainland.

"The Taiwan people are not fools. They have to be reassured. They don't have to go to the mainland. They can go elsewhere," he told the paper.

President Li said that one key problem in cross-strait relations this year has been the deteriorating health of paramount leader Deng Xiaoping. He suggested that Beijing's inflexibility is directly related to uncertainty in the Beijing leadership.

"There is no leader strong enough in Beijing, nobody to give the final say. Deng is still around, but he's not making decisions," said Li.

As a result, the president said, other senior mainland leaders are unwilling to stick their necks out. On the issues of Taiwan, Li suggested, "it's best (for mainland politicians) not to have special or new ideas. It's safer to repeat, 'one country, two systems'."

"We see no leadership," he added.

Vice Finance Minister Attends APEC Meeting

OW0310090394 Taipei CNA in English 0729 GMT 3 Oct 94

[By Jorge Liu and Sofia Wu]

[FBIS Transcribed Text] Madrid, Oct. 2 (CNA)—A Republic of China [ROC] delegation, headed by Vice Finance Minister Li Chung-ying, arrived in Madrid Sunday [2 October] to attend an APEC vice ministerial-level meeting.

Vice finance ministers from 17 member economies of the Asia-Pacific Economic Cooperation (APEC) forum will meet here from Oct. 3 to discuss the economic impact of foreign investment in a nation's stock market.

The meeting is being co-sponsored by the United States and Indonesia in connection with the opening here of a joint annual meeting of the International Monetary Fund and the World Bank.

Li said upon his arrival that many developing countries have imposed restrictions on foreign investment in their stock markets with a view to maintaining domestic economic stability.

The entry of foreign capital may trigger dramatic stock price fluctuation and even affect the value of a country's currency, Li noted. Nevertheless, he said, foreign investment in the stock market may also help boost a country's economic development by making it easier for industrialists to raise funds from the bourse to finance business expansion.

"The Madrid meeting is expected to seek ways to minimize the adverse impact of foreign investment in the stock market so that both investors and the recipient country can benefit from such investment," Li said.

The issue will be further discussed in an APEC finance ministers meeting scheduled to be held in Indonesia next April, Li added.

While here, Li will also hold bilateral talks with his counterparts from other APEC member states on matters of mutual concern.

APEC groups Australia, Brunei, Canada, Hong Kong, Indonesia, Japan, Malaysia, Mainland China, Mexico,

New Zealand, Papua New Guinea, Philippines, Singapore, South Korea, Taiwan, Thailand and the United States.

Meanwhile, ROC central Bank of China Governor Liang Kuo-shu and Jeffrey Koo, chairman of Taipei-based Chinatrust Commercial Bank, also flew into Madrid Sunday to meet with world financiers and bankers.

Koo will host a dinner Tuesday to fete central bank governors and finance ministers from more than 170 IMF member countries who are gathering in Madrid for the Oct. 4-6 IMF-World Bank joint meeting.

Liang will deliver a keynote speech on Taiwan's financial reforms and monetary policy during the dinner.

Koo has hosted a dinner party annually since 1982 in the city where the IMF is holding its annual meeting to honor participating world financial leaders. The party aims to provide a forum for senior ROC finance officials to meet with their counterparts as Taiwan has been barred from IMF activities since it was forced out of the United Nations in 1971.

More than 180 dignitaries, including central bank governors from Malaysia, Indonesia, the Philippines and other Asian and European countries, have been invited to the Tuesday party.

Vice Premier Hsu En Route to Hiroshima Asian Games

OW3009171294 Taipei CNA in English 1509 GMT 30 Sep 94

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Sept. 30 (CNA)—Vice Premier Hsu Li-te left for Okinawa on Friday [30 September] en route to Hiroshima for the XII Asian Games, which start Sunday and run for two weeks.

Hsu is accompanied by Education Minister Kuo Wei-fan and Kuo Chung-ching, chairman of the Republic of China [ROC] Sports Federation.

They will stay overnight in Naha and then fly to Hiroshima on Saturday.

They are among 81 honored guests who were invited either by Shaykh Ahmad al-Fahd, president of the Olympic Council of Asia (OCA), or by the 20 OCA-affiliated national Olympic committees. Hsu was invited by the Chinese Taipei Olympic Committee to the games in his capacity as head of a Taiwan task force bidding to host the 2002 Asian Games.

Hsu said prior to his departure that he will bring the blessings from all walks of life to Taiwan's 260-plus athletes, who arrived in Hiroshima on Wednesday.

Noting that mainland China has taken his attendance at the games too seriously, he said participation in sports activities should call for mutual respect to enhance friendship.

"My visit to Hiroshima is purely for sports activities, which is in line with the Olympic Charter," he stressed.

[Words indistinct] has relentlessly pressed the Japanese Government to revoke the entry permit for Hsu to attend the Hiroshima Asiad, although Japan has told Beijing that Hsu's visit has no political significance.

Earlier this month, President Li Teng-hui canceled his plan to attend the opening ceremony of the games as a result of Beijing's pressure on Japan and the OCA to block Li from attending the event.

Hsu will also visit Tokyo before his return to Taipei on Thursday.

New U.S. Envoy Arrives in Washington

OW0110084294 Taipei CNA in English 0716 GMT 1 Oct 94

[By Bill Wang]

[FBIS Transcribed Text] Washington, Sept. 30 (CNA)—Benjamin Lu, Taipei's new envoy to Washington, arrived here Friday [30 September] to assume his duties as representative of the Taipei Economic and Cultural Representative Office in the United States.

Lu, accompanied by his wife, was greeted at the airport by Nat Bellocchi, chairman of the American Institute in Taiwan, and some 120 members of the Overseas Chinese community here.

The Chinese Consolidated Benevolent Association and various Overseas Chinese groups will host a reception in honor of Lu Sunday at the Washington, D.C. Chinatown.

Meanwhile, the new representative is scheduled to make a formal call on Bellocchi Monday.

Lu replaced Ding Mou-shih, who has become secretary-general of the National Security Council in Taipei.

Air Force May Buy U.S. AMRAAM Missiles

OW3009165194 Taipei CNA in English 1500 GMT 30 Sep 94

[By Benjamin Ye]

[FBIS Transcribed Text] Taipei, Sept. 30 (CNA)—The United States intends to sell advanced medium-range air-to-air missiles (AMRAAM) to the Republic of China Air Force, military sources said Friday [30 September].

The proposal came only after Taiwan's Chung-shan Institute of Science and Technology successfully developed a missile it asserts is capable of matching the AMRAAM.

Dubbed "Sky Sword II," the locally designed air-to-air missile for the first time showed off its capability before thousands of guests during the Han Kuang No. 11

military exercise in southeastern Taiwan on Thursday. A Sky Sword II fired from a jet fighter destroyed an air target.

According to statistics provided by the military, the Sky Sword II is an all-weather, all-aspect, and active radar homing missile that is able to intercept targets before they come within visual range.

The Air Force has ordered 40 Sky Sword II missiles from the Chung-shan Institute, the sources said, adding that they could be equipped on the first squadron of locally designed Ching Kuo combat aircraft, better known as "Indigenous Defense Fighters." The first squadron of IDFs is scheduled to be commissioned before the year's end.

Despite the order, however, the Air Force may use the Sky Sword II missiles only on a trial basis, and choose to equip all its fighter jets with the AMRAAM missiles.

The Air Force has also ordered hundreds of MICA missiles from France and AQM-7F/M Sparrows from the United States to arm its next-generation jet fighters.

Taiwan signed a \$5.8 billion contract with the United States in 1992 to purchase 150 F-16s and another contract with France later that year for the acquisition of 60 Mirage 2000-5s.

The first of the F-16s is scheduled to be delivered in mid-1996 and the last at the turn of the century. On average, two or three aircraft will be delivered every month during the period. The first of the Mirage 2000-5s also will join the ROC Air Force in 1996.

The acquisition of the advanced American and French fighter jets has prompted the Air Force to slash the size of its order of IDFs from 250 to 130.

All the jet fighters will replace Taiwan's vintage military fleet, which is mainly composed of 250 F-5s and dozens of F-104s.

Government Hopes To Join GATT Before 'Year's End'

OW3009145694 Taipei CNA in English 1408 GMT 30 Sep 94

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Sept. 30 (CNA)—Taiwan is still looking to become a full member of the General Agreement on Tariffs and Trade (GATT) before the end of the year, Vice Economic Affairs Minister Sheu Ke-sheng said Friday [30 September].

Sheu made the remarks upon his return from Geneva, where he represented Taiwan at bilateral tariff-concession consultations with the United States and the European Union earlier this week. He led a delegation to Geneva on Sept. 20.

Taiwan now holds observer status in the Geneva-based world trade regulatory body.

Taiwan must accelerate its tariff talks with 25 GATT [word indistinct] parties that have asked for such talks before the end of October in its bid to enter GATT before the year's end, Sheu pointed out.

Similar talks with South Africa and Malaysia have already been completed, he added.

If all goes well. He noted, the GATT working party on Taiwan's membership application will hold its seventh meeting during the last week of October to finalize Taiwan's protocol for accession, and the protocol will then be passed by the GATT council meeting in November.

Sheu declined, however, to comment on reports that he will be appointed as Taiwan's first representative to GATT once Taiwan is accepted as a full member.

Official: Taipei May Yet Become WTO Founding Member

OW0310091094 Taipei CNA in English 0759 GMT 3 Oct 94

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Oct. 3 (CNA)—Taiwan still can become a founding member of the World Trade Organization (WTO) if GATT approves its membership application in December, a high-ranking trade official said Monday [3 October].

Huang Yen-chao, director-general of the Board of Foreign Trade, said the General Agreement on Tariffs and Trade (GATT) is scheduled to hold its annual meeting in December.

"This will be Taiwan's last chance to become a WTO founding member," Huang said. WTO will supersede GATT as the world's most powerful trade regulatory body early next year.

All of the 123 GATT contracting parties will attend the December annual meeting. "We hope our membership application can be discussed and approved during that meeting so that we can join GATT before the end of this year," Huang noted.

Taiwan originally hoped to have its GATT entry protocol discussed during the November GATT board meeting. Because of its failure to complete bilateral tariff concession talks with major trade partners in September, Taiwan cannot produce its entry protocol as scheduled. The protocol defines the terms of Taiwan's GATT entry.

Taiwan has held bilateral trade consultations with 39 GATT contracting parties, but has reached agreement with only South Africa and Malaysia, Huang said.

"We therefore must hold new rounds of talks with such major trade partners as the United States, Japan, the

12-member European Union, Australia and New Zealand in October," Huang said.

Negotiations with these countries have been deadlocked over issues related to service market opening and imports of automobiles, beef, rice and other agricultural items.

For instance, New Zealand and Australia have demanded Taiwan remove its current two-tier tariff system for beef imports, while the U.S. and EU countries are pushing Taiwan to make its future compact car import quota calculation formula more transparent.

"We expect to settle differences with all these countries in the next few weeks to smooth our way to GATT," Huang noted. "We also hope the GATT working party screening Taiwan's membership application will hold its seventh meeting around Oct. 24 to discuss key points to be included in our GATT entry protocol."

"Then Taiwan will be able to present its entry protocol for discussion in the December GATT plenary meeting," Huang said.

If Taiwan fails to join GATT by the end of this year, Huang said, it will face even greater difficulties becoming a WTO member.

Both Taiwan and Mainland China have applied to join GATT. If Beijing enters the organization before the end of the year as expected, Huang said, it may boycott Taiwan's WTO entry.

Tariff Cuts Discussed With Australia, Singapore

OW0110092194 Taipei CNA in English 0738 GMT 1 Oct 94

[by P. C. Tang and Y. C. Tsai]

[FBIS Transcribed Text] Geneva, Sept. 30 (CNA)—Taiwan delegates Friday [30 September] met with their counterparts from Australia and Singapore to discuss bilateral tariff concessions under the framework of the General Agreement on Tariffs and Trade (GATT).

Chen Wu-hsiung, director of the Economics and Planning Department under the Council of Agriculture, who represented Taiwan at the negotiations, said that no agreement was reached.

The talks with Australia mostly centered on Taiwan's beef-classification tariff system, rice import formula as well as import duties on milk and animal organs, Chen elaborated.

Australian delegates also requested Taiwan to further lower tariffs on sugar imports and to open wider its fruit market, he noted.

Meanwhile, he said, Singaporean negotiators were most concerned about petrochemical products, expressing the hope that Taiwan will further cut tariffs and simplify import procedures on these goods.

Singapore was satisfied with Taiwan's planned tariff reductions on a majority of agricultural items, but asked for further concessions on aquaculture and fishery products, he pointed out.

Friday's bilateral consultations marked the end of the 12-day marathon talks between Taiwan and 14 GATT contracting parties including Hungary, Uruguay, Colombia, Argentina, the United States, the European Union, Switzerland, Chile and New Zealand.

Taiwan is accelerating such tariff talks with GATT signatories to facilitate its bid to enter the Geneva-based world trade regulating body before the end of this year. Taiwan now holds observer status in the GATT.

Slowing of Cross-Strait Trade Reported

OW0110091994 Taipei CNA in English 0819 GMT 1 Oct 94

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Oct. 1 (CNA)—Growth in indirect trade across the Taiwan Strait has slowed in recent months, the Board of Foreign Trade (BOFT) reported Saturday [1 October].

Two-way trade between Taiwan and Mainland China amounted to an estimated US\$8.86 billion during the first seven months of this year, up 12.8 percent from the year-earlier level, the board said.

Because Taiwan still bans direct commercial exchanges with the mainland, the board usually bases its estimates of cross-strait trade on statistics compiled by local and Hong Kong customs authorities. Hong Kong has been a major conduit for Taiwan-mainland trade.

According to BOFT estimates, Taiwan exported US\$8.16 billion worth of goods to the mainland between January and July, up 12.6 percent from the year before.

The growth rate was not impressive if compared with the average 20 to 40 percent export growth registered in the past, BOFT officials said, adding that the changing business climate on the mainland and frequent cross-strait squabbles over ideological issues might have hindered trade expansion.

During the same seven-month period, overall indirect imports from the mainland rose 15.2 percent to US\$700 million, according to BOFT estimates. The officials attributed the increase partly to relaxed restrictions on imports of semi-finished goods from the mainland.

As a result, Taiwan enjoyed a US\$7.46 billion trade surplus with the mainland for the January-July period, up 12.4 percent from the year-earlier level.

Meanwhile, cross-strait trade transshipped via Hong Kong totaled US\$5.39 billion in the first seven months of the year, up 9.5 percent from the year before. Of the

amount, Taiwan exports to the mainland via the British colony accounted for US\$4.69 billion and imports totaled US\$700 million.

In July alone, cross-strait shipments via Hong Kong stood at US\$826 million, up only 3.6 percent from the same month of 1993. The rate was far lower than the 30.8 percent growth registered in July 1993 and the lowest since February, the BOFT officials noted.

Brazil Wooing Taiwan Investors

OW0110084594 Taipei CNA in English 0759 GMT 1 Oct 94

[By Raymond Huang and Debbie Kuo]

[FBIS Transcribed Text] Sao Paulo, Sept. 30 (CNA)—Brazil is seeking Taiwan investors to help develop its mineral-rich northeast and Amazon states, the Brazilian minister of regional integration said Friday [30 September].

Aluizio Alves, who will lead a Brazilian business delegation to take part in the Taipei Import Fair slated to open Oct. 18 at the Taipei World Trade Center, said Taiwan investors are particularly welcomed to participate in agricultural and industrial development in the areas.

In addition to rich mineral resources, the northeast and Amazon States of Ceara, Sergipe, Maranhao and Goias boast cheap labor and vast amounts of land, he said.

He promised that the Brazilian Government will help develop infrastructure and transportation systems in the north and northeast regions so as to foster a better investment climate there and draw Taiwan investment from the southern states.

Taiwan investors have made inroads into the northern Brazilian states during the past couple of years despite the lack of official ties between the two countries, Alves said.

For example, he said, Taiwan businessmen have established a fish culture industry and an industrial processing zone in Sergipe State. Taiwan-invested textile, electrical engineering, foodstuff processing and automobile industries have also been developed in Ceara State.

Following an August visit by a 40-company Ceara business exploration mission, a similar trade mission will come to Taiwan in November, Alves added.

Textile Exports 'Booming'

OW0110091794 Taipei CNA in English 0808 GMT 1 Oct 94

[by Y. C. Tsai]

[FBIS Transcribed Text] Taipei, Oct. 1 (CNA)—Boeing cloth exports are expected to usher in a new era for Taiwan's textile industry, the Taiwan Textiles Federation (TTF) said Saturday [1 October].

TTF Secretary-General Liu Chiu-ye pointed out that outbound shipments of cloth, including fabric and yarn, have substantially increased in the past six years, while apparel exports have been on the decline.

Statistics show that apparel accounted for 50 percent of Taiwan's total textile exports in 1988. The percentage fell to under 30 percent in 1993. The ratio of the cloth sector to aggregate textile exports rose from 50 percent to more than 70 percent in the six-year period.

Taiwan's textile exports totaled US\$9.79 billion and US\$12.05 billion in 1988 and 1993 respectively.

The figures pointed to the apparel sector's decline and the cloth sector's rising role in the domestic textile industry, Liu noted.

Citing Italy as an example, he said that Italy, which was once the world's leading apparel producer, was forced to turn to cloth production after a severe labor shortage.

Taiwan now faces the same fate as Italy, he said.

Liu called on domestic textile makers to work more on the development of cloth designing, saying that new designs of man-made fabric and refined cloth will help boost exports.

A total of 97 Taiwan manufacturers displayed their products at the Interstoff Cloth Exhibition held in Frankfurt, Germany in spring, he said.

Taiwan had the third-largest delegation at the exhibit, behind only Germany and Italy, indicating that Taiwan-made fabrics and cloth have become much more competitive in the world market, he noted.

Survey Says 'China Steel' Most Competitive Firm

OW0110085494 Taipei CNA in English 0729 GMT 1 Oct 94

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Oct. 1 (CNA)—State-run China Steel Corp. tops all other companies in Taiwan in business competitiveness, while Y. C. Wang, founder of Formosa Plastics Group (FPG), is the most admirable entrepreneur here, according to a survey by the COMMONWEALTH BUSINESS MAGAZINE.

The monthly asked 2,849 local senior business executives and industrial consultants to evaluate the business competitiveness of 233 "guidepost" private, state-owned and foreign-owned companies here based on nine factors—vision, innovative capability, product and service quality, operational efficiency, financial management, talent cultivation, information technology utilization capability, international operational capability and dedication to public service.

Survey results show China Steel received the highest overall score among all private, state-run and foreign-owned companies studied.

Privately-owned President Enterprise Inc. ranked second in the overall evaluation and topped the list in the "vision" assessment, according to the survey.

Taiwan Semiconductor Manufacturing Co. (TSMC), a joint venture between the government and private investors, tied with Yuen Foong Yu Paper Co. for third place in overall competitiveness. TSMC also ranked first in the "product and service quality" evaluation.

Meanwhile, FPG Chairman Y. C. Wang, now in his 70s, was named the most admirable business magnate for his outstanding contributions to Taiwan's economic development over the past four decades.

Four FPG member companies—Formosa Plastics Corp., Chang Gung Memorial Hospital, Nan Ya Plastics Corp., and Formosa Chemicals and Fiber Corp.—ranked among the top-20 most competitive companies on the island.

Among the younger-generation industrialists, Stan Shih, chairman of Acer Inc., was the most respected, the survey said. Shih, a computer business executive, trailed behind Wang as the second most admirable entrepreneur and was ranked sixth among the top 10 tycoons who contributed most to Taiwan's economy.

US-based Citibank was rated the most competitive foreign-owned company in Taiwan. Other foreign firms on the top-20 list included IBM Taiwan Corp., Singapore Airlines, Motorola Electronics Taiwan Ltd. and Philips Taiwan Ltd.

The COMMONWEALTH survey found that Taiwan-owned companies generally received poor marks in public service dedication, business innovation and international operational capability.

It also found that the semiconductor industry is the most promising industry in Taiwan, with five integrated circuit manufacturing firms making the "top-20 guidepost companies" list.

Police Seek French Assistance To Fight Crime

OW0110084794 Taipei CNA in English 0751 GMT 1 Oct 94

[By M. J. Tzou and Bear Li]

[FBIS Transcribed Text] Paris, Sept. 30 (CNA)—Police from the Republic of China and France have joined hands to crack down on international crime, Lu Yuchun, director-general of the National Police Administration said here Friday [30 September].

Lu, who arrived in Paris Wednesday for a three-day visit, called on French Police Chief Claude Gueant, Paris Police Bureau Chief Philippe Massoni and other ranking police officers over the past two days.

He said that "breakthroughs have been made in terms of police cooperation" with both sides agreeing to make joint efforts to stop such international crimes as drug smuggling, illegal immigration and money laundering.

In addition, the French side also promised to provide Taiwan with its expertise and experience in dealing with street demonstrations and riots.

Before coming to France, Lu attended a seminar on Asian gangs in Hawaii and visited Canada, Britain, Denmark and Norway to seek police cooperation with those countries.

Government To Extend Visa-Free Stays

OW3009145794 Taipei CNA in English 1416 GMT 30 Sep 94

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Sept. 30 (CNA)—The government has decided to further its visa-free measure for visitors from 12 foreign countries, extending their visa-free stays here from five to 14 days, the Bureau of Tourism said Friday [30 September].

Bureau officials said the new move aims to attract more foreign tourists, whose number has substantially increased due to the five-day visa-free measure.

Statistics show that nearly 1.41 million foreign tourists visited Taiwan in the first eight months of the year, up 16 percent from the year-earlier level. Those who entered Taiwan under the visa-free policy in the eight-month period accounted for 36.63 percent of the total.

The new measure will be put into force once it is approved by the Executive Yuan, the officials said.

The current five-day visa-free measure, which took effect on Jan. 1, applies to citizens of France, Britain, Germany, Austria, Holland, Belgium, Luxembourg, the United States, Canada, New Zealand, Australia and Japan.

Meanwhile, a recent survey conducted by the bureau found that Taiwan's cuisine and scenery are most attractive to foreign tourists, followed by the island's culture and climate.

Scenic spots most favored by foreign tourists are National Palace Museum, Lung Shan Temple, Shihmen Dam and Chiang Kai-Shek Memorial Hall.

Hong Kong

XINHUA Hosts PRC National Day Celebration

OW3009152294 Beijing XINHUA in English 1451
GMT 30 Sep 94

[FBIS Transcribed Text] Hong Kong, September 30 (XINHUA)—XINHUA NEWS AGENCY Hong Kong branch hosted a grand reception today to celebrate the 45th anniversary of the founding of the People's Republic of China.

Some 3,000 local celebrities were present at the reception.

After reviewing the great achievements China has scored in the past 45 years, the branch's director Zhou Nan said China's resumption of exercise of sovereignty over Hong Kong on July 1, 1997 is a major event that has a bearing on the national feelings of all descendants of the Chinese nation.

"Next year will be crucial in the latter half of the transition," Zhou said. "The work of the Preliminary Working Committee will increase and be carried out on a broader scale and the formation of the Preparatory Committee of the Special Administrative Region (SAR) will also be put on the agenda."

He hoped that Hong Kong compatriots from all walks of life pool their efforts and wisdom and play an even more active part in contributing to the preparation for the establishment of the future SAR and the realization of Hong Kong's smooth return to its motherland.

"It is clearly known to all that for reasons not of our making, there have emerged obstacles to the convergence of the constitutional system of Hong Kong," Zhou said.

In this regard, he said, the Chinese Government will resolutely act according to the Basic Law and the relevant decisions adopted recently by the Standing Committee of the National People's Congress.

Zhou stressed that the Chinese Government's point of departure for all considerations on issues relating to Hong Kong in the latter half of transition is to safeguard the fundamental interests of six million locals and the long-term stability and prosperity of the territory.

"We hope that the British side, in the coming two years and more, will also take into consideration the overall interests and work for continuous and positive progress in the work of the Sino-British Joint Liaison Group so as to ensure the smooth transition in 1997 and thereby gradually improving the relations between China and Britain," he said.

Describing the past year as having witnessed a further development of economic interdependence between Hong Kong and the Chinese mainland, Zhou said this year Hong Kong's economy can still maintain a sound

development speed, an achievement which cannot be separated from the sustained and fast economic development of the mainland.

"Facts have shown that the mainland needs Hong Kong, and Hong Kong needs the mainland even more," he added.

He also expressed his thanks to Hong Kong compatriots for their generous assistance to the disaster-hit areas in the mainland this year.

Present at today's reception were also Vice-Chairman of the National Committee of the Chinese People's Political Consultative Conference Henry Fok Ying-tung, Hong Kong Governor Chris Patten and some foreign envoys in Hong Kong.

Protest Ends in 'Scuffles'

HK0110051694 Hong Kong SOUTH CHINA MORNING POST in English 1 Oct 94 pp 1, 2

[By Linda Choy, Clifford Lo and Chris Yeung]

[FBIS Transcribed Text] A protest against the celebration of China's National Day ended in scuffles yesterday when about 25 demonstrators clashed with 200 police outside the Convention and Exhibition Centre in Wan Chai.

The protesters, waving banners and chanting slogans through loud-hailers tried to pull down police barriers and more than a dozen were forcibly removed.

The Governor, Chris Patten, Xinhua (New China News Agency) director, Zhou Nan; Chief Secretary, Anson Chan Fang On-sang and other dignitaries attended the two-hour reception to commemorate the founding of the People's Republic of China 45 years ago.

Outside, protesters chanted slogans condemning the 1989 Tiananmen Square massacre and called for the downfall of Chinese premier Li Peng and paramount leader Deng Xiaoping as well as the end to one-party rule.

"Without rehabilitating the June 4th incident there is nothing worth celebrating on national day," they shouted, carrying a black Chinese flag.

The conflicts began shortly before 6 pm when 10 Chinese University students marched to the guests' entrance carrying banners and attempted to stage a sit-in. Within five minutes they were taken away one by one by policemen into the centre's basement car park. To express their support for the students, two protesters from a coalition of prodemocracy activists, Shing Wai-pong and Kwan Chun-ping, rushed to the vehicle entrance waving copies of the pro-China Wen Wei Po published on June 5, 1989, which carried a full-page report on the massacre. Policemen rushed to grab Mr Shing and Mr Kwan and forced them into the fire station

on the opposite side of Harbour Road. Tensions rose as protesters were prevented from leaving the barricaded area.

After his release, Mr Shing and his fellow protesters condemned the police action as "an excessive use of power against their rights of expression".

Wan Chai District Commander, Chief Superintendent Harry Blud, said the use of force was "reasonable" to facilitate the smooth going of the celebration.

"They were causing serious disruption and serious obstruction to the people arriving at the Convention and Exhibition Centre and so, to prevent any breach of peace, they were removed," Mr Blud said.

He said he had initially deployed 35 policemen but this was later increased in order "to facilitate a safe and peaceful demonstration".

The protesters later marched from Harbour Road to the Wan Chai police station because they thought nine students removed from the venue had been taken there. Police will convene a special meeting this morning to reassess policing at the Hong Kong Coliseum to avoid the repeat of yesterday's scuffles.

The coalition plans to stage a protest outside the venue today.

Kowloon City district commander Chief Superintendent Kenneth Wallis last night said they would wait to get a full report on what happened outside the Convention Centre and re-assess the situation this morning.

Meanwhile China and Britain showed signs of renewed co-operation—at least publicly—over the territory's transitional matters at the Convention Centre celebration. In a mildly worded speech, Mr Zhou appealed to Britain to "take into consideration the overall interests" of the territory and strive for progress in the Joint Liaison Group [JLG]. He made a brief and veiled reference to the bitter political row of the past two years. He said British co-operation for continuous and positive progress of the JLG would ensure a smooth transfer of sovereignty in 1997 and gradual improvement. He made a brief and veiled reference to the bitter political row of the past two years. He said British co-operation for continuous and positive progress of the JLG would ensure a smooth transfer of sovereignty in 1997 and gradual improvement of diplomatic relations.

Describing 1995 as a crucial year, Mr Zhou said the Preliminary Working Committee would speed up its work and the formation of the Preparatory Committee would be put on the agenda.

At the same function in the Exhibition and Convention Centre, Mr Patten painted a rosy picture of the territory's future, saying he had no doubt that "it is possible to give the chief executive in 1999 plenty to be satisfied about". The territory's continued economic success "is achievable and will be achieved if the work to implement

the 'one country, two systems' concept is completed as envisaged in the Joint Declaration, with comprehensive co-operation" between Britain and China, he said.

"I look forward to co-operation to get the airport built, to extend the container port, and to ensure that the legal and physical infrastructure is in place to underpin the future prosperity stability and way of life in Hong Kong."

Speaking earlier about the just-ended talks between British Foreign Secretary Douglas Hurd and Chinese Vice-Premier Qian Qichen in Washington, Mr Patten said local people would want to see the two governments go the "extra mile" to secure a smooth transition.

"But, plainly, while the meeting itself was a civilised and serious exchange, the results will only be seen in the coming weeks and months," he said. Mr Qian said the meeting was serious and constructive. "China has always called for co-operation. The British side has deviated from the path of co-operation in the past two years. Now they have said they want to go back to the road of co-operation, which we of course welcome."

He said he was given "indications" of a move by Mr Patten to boost co-operation with the mainland in his third policy speech to be delivered to the Legislative Council on Wednesday. Sources said Mr Hurd had suggested that the JLG meet more frequently, and that there should be more meetings between the two team leaders as well as experts. A source said: "Mr Qian has been receptive. The mood was good. It's evenhanded and friendly."

Another source said it was natural that Mr Hurd would raise the issue of co-operation with the Preparatory Committee, which would become "a fact of life". "But it takes two to cooperate," he said.

Chinese Foreign Ministry spokesman Shen Guofang, who was accompanying Mr Qian in New York, urged London not to take unilateral action to facilitate better relations.

PRC Officials Urge Government To Cooperate With PWC

OW0210160894 Beijing XINHUA in English 1514
GMT 2 Oct 94

[FBIS Transcribed Text] Hong Kong, October 2 (XINHUA)—If the British want to cooperate with China, then the British Hong Kong Government should take some concrete actions to cooperate with the Preliminary Working Committee (PWC) of the Preparatory Committee of the future Special Administrative Region (SAR) of Hong Kong, Chinese officials here said.

"If the British Hong Kong Government says it wants to cooperate with the PWC, we definitely welcome the move," said Zheng Guoxiong, deputy director of the Hong Kong branch of XINHUA NEWS AGENCY at a

Saturday function marking the 45th anniversary of the founding of the People's Republic of China.

Zheng noted that the PWC is a working organ formed in accordance with the decision adopted by the Standing Committee of the National People's Congress, China's supreme legislature, to make preparations for the establishment of the SAR Preparatory Committee to be set up in 1996 to take care of all matters related to the smooth transition of Hong Kong till mid-1997.

He expressed the hope that the recent pledge made by the British side for cooperation with China will be expressed in concrete terms in Governor Chris Patten's policy address to be delivered at the legislative council Wednesday [5 October].

Sharing Zheng's views on the same occasion, Zhang Junsheng, another XINHUA deputy director in Hong Kong, said, "If the PWC wants to know more about how things stand here, the Hong Kong Government should provide the necessary information and explain the matter."

Zhang Junsheng noted that it was against the Sino-British Joint Declaration for the British Hong Kong Government to refuse cooperation with the PWC in the past.

He hoped that Britain should cooperate with China in two areas—maintaining the stability and prosperity in Hong Kong and striving for its smooth transition. "This is the obligation and duty undertaken by the British side in the Sino-British Joint Declaration," Zhang said.

Patten To 'Soften' Stance on PWC

HK021005294 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 2 Oct 94 pp 1, 2

[By Political Editor Danny Gittings and Queenie Wang]

[FBIS Transcribed Text] Governor Chris Patten will offer a major olive branch to Beijing in this week's policy address by softening his previously strident opposition to the Preliminary Working Committee (PWC).

An aide to Foreign Secretary Douglas Hurd said in New York that Britain wanted to co-operate with the PWC, and Mr Patten would set out how this could be done in Wednesday's speech.

Sources in London said contacts with the PWC could be allowed in future, providing they did not interfere with existing channels of communication such as the Joint Liaison Group (JLG) and its Airport Committee, or jeopardise their work.

A more conciliatory stance towards the PWC represents a major change for Mr Patten, who has repeatedly sniped at the Beijing-appointed body throughout the year, and banned his civil servants from formal contacts with it.

It also means that Wednesday's policy speech expected to be Mr Patten's shortest-ever—will be markedly different in tone from his two previous annual addresses, both of which set the stage for major confrontations with Beijing. But Government House yesterday insisted there was no question of a policy U-turn, nor of doing anything that would undermine the JLG.

"Our policy remains that the agreed forum for discussions is the JLG and not the PWC," said spokesman Mike Hanson.

Analysts said this suggested the Government might continue to refuse to deal with the PWC over issues such as the airport, but instead allow contacts over matters more directly related to the transfer of sovereignty.

Chinese officials last night welcomed Mr Patten's softer approach.

"It was definitely incorrect not to co-operate with the PWC in the past," said Xinhua (New China News Agency) deputy director Zhang Junsheng.

"If the British now say they want to co-operate with the PWC, we would definitely welcome the move."

"If the PWC wants to have further understanding of issues, the Government should provide more information and explain the situation. This is the duty and obligation of the British side."

Fellow Xinhua deputy director, Zheng Guoxiong, said he hoped the policy address would see positive moves by Mr Patten.

"If the British talk about co-operation then they should take some concrete action."

The softer stance towards the PWC is part of a package of conciliatory proposals Mr Patten will unveil on Wednesday in an effort to build better relations with Beijing during the final years of the transition. Other measures will include a pledge to co-operate with the PWC's successor, the Preparatory Committee, to be set up in 1996, over transferring files, officials, and the government structure, to the post-1997 administration. Top civil servants will also be allowed to make direct contact with the Beijing-appointed chief executive, Hong Kong's post-colonial governor, who will be named in late 1996.

The extent of the gap that still separates Britain and China was demonstrated in New York yesterday, when Chinese Foreign Minister Qian Qichen described Sino-British ties as far worse than the mainland's relations with other countries.

"I should say that the Sino-British relationship is comparatively bad, when compared with our relations with other European countries," he said. But, although about to soften his stance towards the PWC, Mr Patten indicated yesterday there would be no similar relaxation in attitude towards the businessmen who oppose his policies.

"My political reforms are for the 5 1/2 million people who cannot emigrate," he said, in an interview published in the German magazine *Der Spiegel*. "Businessmen may not like my political reforms but you should ask how many of them already have a visa from the US, Britain or Canada."

Wednesday's speech is expected to be shorter than those in October 1992 and 1993, because much of the minutiae of Government work will instead be parcelled off into 22 separate 'mini-policy addresses' by 18 top civil servants, to be unveiled alongside Mr Patten's.

Meanwhile, leading PWC members last night warned that Mr Patten's attempts to build bridges would have to amount to more than mere rhetoric. "He has to do something concrete, like providing information to us and sending officials to our meetings," said PWC member Xu Ximin. PWC sub-group co-convenor Raymond Wu Wai-yeung said that if the Governor really wanted to work with the PWC he should simply "shut up".

"Every time Mr Patten makes a comment it only serves to further damage Sino-British relations," he said.

"It's unwise to criticise the PWC as illegal and reject any coordination or co-operation with it. This is the base for future co-operation with the Preparatory Committee."

PRC Official Calls Party Committee Story 'Rumor'

HK0110052094 Hong Kong EASTERN EXPRESS in English 1 Oct 94 p 1

[By Mary Binks]

[FBIS Transcribed Text] The Hong Kong government has demanded an assurance from China that it will not undermine post-1997 autonomy by setting up a committee of Communist Party cadres to effectively rule the territory.

Eastern Express yesterday disclosed that China was selecting and training officials to supervise the Hong Kong Special Administrative Region [SAR]. The SAR party committee's role will be to oversee operations of the Hong Kong government. The move would circumvent the 1984 Sino-British Joint Declaration and the Basic Law, both of which enshrine the concept of "Hong Kong people ruling Hong Kong" after 1997.

The Chief Secretary, Anson Chan, yesterday called on China to reaffirm its adherence to the Joint Declaration and the Basic Law.

"I am sure the Chinese will bear in mind the need to give assurance to the Hong Kong people that the Joint Declaration provisions as regards to a high degree of autonomy will be implemented faithfully after 1997," Chan said.

The deputy director of the local branch of the New China News Agency (Xinhua), Zhang Junsheng, did not categorically deny the report. He described it as "merely a rumour" and alluded to people who wanted to threaten the stability of Hong Kong.

"They are creating rumours as a way of destroying stability and interfering with a smooth transition," he said. Zhang's remarks came in stark contrast to those of the leader of the pro-China party, the Democratic Alliance for the Betterment of Hong Kong, Tsang Yok-sing.

Tsang said it was "very natural" that high-ranking officials were concerned with the operation of a region that was important to China. "Hong Kong of course is a very important issue to the Chinese government, and of course now the Chinese government is led by the Chinese Communist Party, so if the Chinese government decides to set up a special committee within the leadership of the Communist Party to look after Hong Kong affairs, to review China's policy on Hong Kong, it is only very natural," he said.

The vice-president, Rong Yiren, reinforced China's decision to make its own arrangements for Hong Kong's reversion to mainland rule. "We will mainly rely on the strength of ourselves to achieve the smooth transition and long-term stability of Hong Kong since the British government will not co-operate with regard to the political structure," Rong said.

Hong Kong's Democratic Party said it was growing increasingly pessimistic. Yeung Sum, the vice-chairman of the United Democrats, said: "The Chinese Government wants to control Hong Kong and run Hong Kong even before 1997.

"What I am trying to suggest is the high degree of self autonomy of Hong Kong after 1997 is really in danger."

Spokesman Denies Party Committee

HK0310131694 Beijing ZHONGGUO XINWEN SHE in English 1241 GMT 3 Oct 94

[FBIS Transcribed Text] Beijing, October 3 (CNS)-Some news releases in Hong Kong recently saying that the Communist Party of China is organizing a high-level committee in order to supervise operation of the government of the Hong Kong Special Administrative Region was a sheer rumour, said the Spokesman of the Hong Kong and Macao Affairs Office under the State Council of China today.

PRC Demands 'Full Details' of Government Assets

HK0310055494 Hong Kong SOUTH CHINA MORNING POST in English 3 Oct 94 p 1

[By Chris Yeung]

[FBIS Transcribed Text] China has demanded full details of the total assets of the Hong Kong Government

as part of the crucial information it needs for the transition of administration. Sources said government assets were among the information Chinese officials asked for during Joint Liaison Group (JLG) meetings.

The Chinese were adamant the Government should detail exactly what the administration owned. "Like the host of a house, they should at least have to know how many chairs they have," a JLG source said.

Beijing maintains now is the appropriate time for the two governments to discuss the "concrete issues" in preparing for a change of administration in 1997. The Chinese "do not agree with Executive Councillors such as Felice Lieh-mak and Edward Chen Kwan-yiu that the details of the handover of such information should be left to the Preparatory Committee in 1996", the source said.

A source close to the British side said what the Chinese negotiators had asked for involved "a great deal of information". "We have already given them a lot of information. We don't know the extent of the information they need," the source said.

Officials declined to say whether the Government would co-operate and submit a list of its total assets. But it is understood the issue of assets involves sensitive financial secrets the Government may not be willing to disclose to China. The total assets would involve how the territory's reserves and Exchange Fund had been invested. There might also be enormous technical work involved in compiling a detailed list of assets.

Government Accused of Breaching 'One China' Principle

OW3009145494 Beijing XINHUA in English 1424
GMT 30 Sep 94

[FBIS Transcribed Text] Hong Kong, September 30 (XINHUA)—A Chinese official here was today quoted as saying that the Hong Kong [HK] Government's decision to allow a Taiwanese organization to hold political activities at a government venue in the territory breached the "one China" principle.

Wang Zhenyu, head of the Taiwan affairs office of XINHUA NEWS AGENCY Hong Kong branch, said Thursday [29 September] that the XINHUA branch had lodged a protest with the local government for permitting a Taiwanese organization to hold "October 10th" celebrations at the Hong Kong culture center, a government venue in Tsim Sha Tsui, Kowloon.

Wang pointed out that there is only one China in the world and the People's Republic of China is the sole legitimate government which represents the Chinese people as a whole and Taiwan is an inseparable part of the Chinese territory.

He said that the recent decision by the British Hong Kong authorities contradicted the "one China" principle

as promised by the British Government when it established the diplomatic relations with the People's Republic of China in the early 1950s.

He urged the HK Government to stick to the promise by revoking the decision.

Democratic Party Officially Begins Operations

HK0310063494 Hong Kong EASTERN EXPRESS in English 3 Oct 94 p 2

[By Wing Kay Po]

[FBIS Transcribed Text] The territory's most powerful pro-democracy party was officially launched yesterday. Members of the new Democratic Party yesterday endorsed the rehabilitation of the 1989 pro-democracy movement and called for the amendment of the territory's post-1997 mini-constitution to accelerate the pace of democratic development in the territory. It stated its willingness to have "dialogue" with the Chinese communist regime and its new leader, Martin Lee, spoke of the party's "bright future" after the transfer of sovereignty.

The new party was formed by the merging of the United Democrats and Meeting Point. The party is set to become the most formidable force in the forthcoming elections in the two municipal councils and the Legislative Council next year. The two former parties had the biggest voting bloc in the Legislative Council with 16 elected legislators, while two weeks ago they won the largest number of seats in the district board elections.

Lee, the chairman of the former United Democrats, who was dubbed by Beijing as "counter-revolutionary" because of his support of the 1989 pro-democracy movement, was elected chairman of the new party. He won 212 votes, with one vote against and two abstentions. The former vice-chairman of the United Democrats, Yeung Sum, and the former chairman of Meeting Point, Anthony Cheung, were both elected to fill the two vice-chairmanships of the Democratic Party.

Other key members of the former parties were elected to the executive committee and central committee—the core that will direct the affairs of the new party and devise the party's strategy for next year's elections. These include the veteran activist and legislator Szeto Wah, also branded a "counter revolutionary" by Beijing, and other prominent members of the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China, an organisation dubbed "subversive" by the Chinese government.

At the inaugural meeting yesterday, the Democratic Party passed three resolutions that will bind the conduct of its members. It said the suppression of the 1989 pro-democracy movement by the Chinese government was a "serious mistake" and called for Beijing to recognise it as a "patriotic movement".

The party called for the amendment of the Basic Law to allow fully direct elections for the chief executive of the Special Administrative Region government after 1997 and for the Legislative Council. The party passed a resolution to call for the local delegates to the Chinese National People's Congress to be returned through universal suffrage.

Lee said the party's confrontational attitude towards China would not affect its future as long as it had "the support of the people of Hong Kong". "If we have the popular support of the people of Hong Kong, there's no reason why the Chinese government should ignore us, because in ignoring us it is ignoring the people of Hong Kong and that cannot help to bring about a smooth transition in 1997." Lee said the party would welcome communication with officials in the Chinese government.

Efforts Urged To Stop Fluctuations in Trade

HK0310125394 Beijing CHINA DAILY in English
30 Sep 94 p 2

[By Wang Yong: "Call For Stable Regional Trade"]

[FBIS Transcribed Text] The mainland should foster preferential policies to prevent excessive drops in trade with Hong Kong, Taiwan and Macao, a senior trade researcher said.

"We should especially avert further drastic fluctuations in trade with Hong Kong and Macao," said Chen Wenzhong, professor of the Institute of International Trade Research, during a China Daily interview.

The regions make up what is now known as Greater China in Western business circles, said Chen, who does research for the Foreign Trade Ministry.

Before 1992, Hong Kong and Macao purchased about half of the mainland's annual exports. But in 1993, exports to the two territories plummeted by 40 per cent, primarily due to the mainland's move to diversify its overseas markets, Chen said.

China began to export more of its goods directly overseas, rather than first through the international hubs of Hong Kong or Macao.

As a result, only 24.6 per cent of mainland exports ended up in the two regions last year, down from 45.5 per cent in 1991.

At the same time, the United States, Canada and Japan saw a steady growth in imports from China.

Chen pointed out that maintaining stable trade with Hong Kong and Macao takes on not only economic, but also political significance.

The two regions will return to the mainland in 1997 and 1999 respectively, thus becoming an important factor in China's foreign trade growth.

"The drastic fluctuations last year were not a good sign for the development of trade between the mainland and the two regions," Chen said.

It could be even worse for the mainland to take advantage of the two region's close integration with the international economy, he warned.

"We should first stabilize our exports to Hong Kong and Macao, and should there be any slide, it should be a gradual, not drastic one," he added.

In the long run, stabilizing trade with the two regions will enhance China's international competitiveness, as well as reduce its political risks, he said.

Although direct trade has not been forged with Taiwan, direct Taiwanese investment on the mainland has grown fast.

And coupled with booming indirect trade, the economic interaction across the Taiwan Straits has further developed.

Chen said a closer economic link would help foster an early, reunification of the two.

"So we should extend some special treatment to trading with Taiwan," he argued.

He called for preferential tariffs and simplified customs procedures.

As for direct trade with Taiwan, the mainland should provide credit, guarantee and forward discount support, Chen said.

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